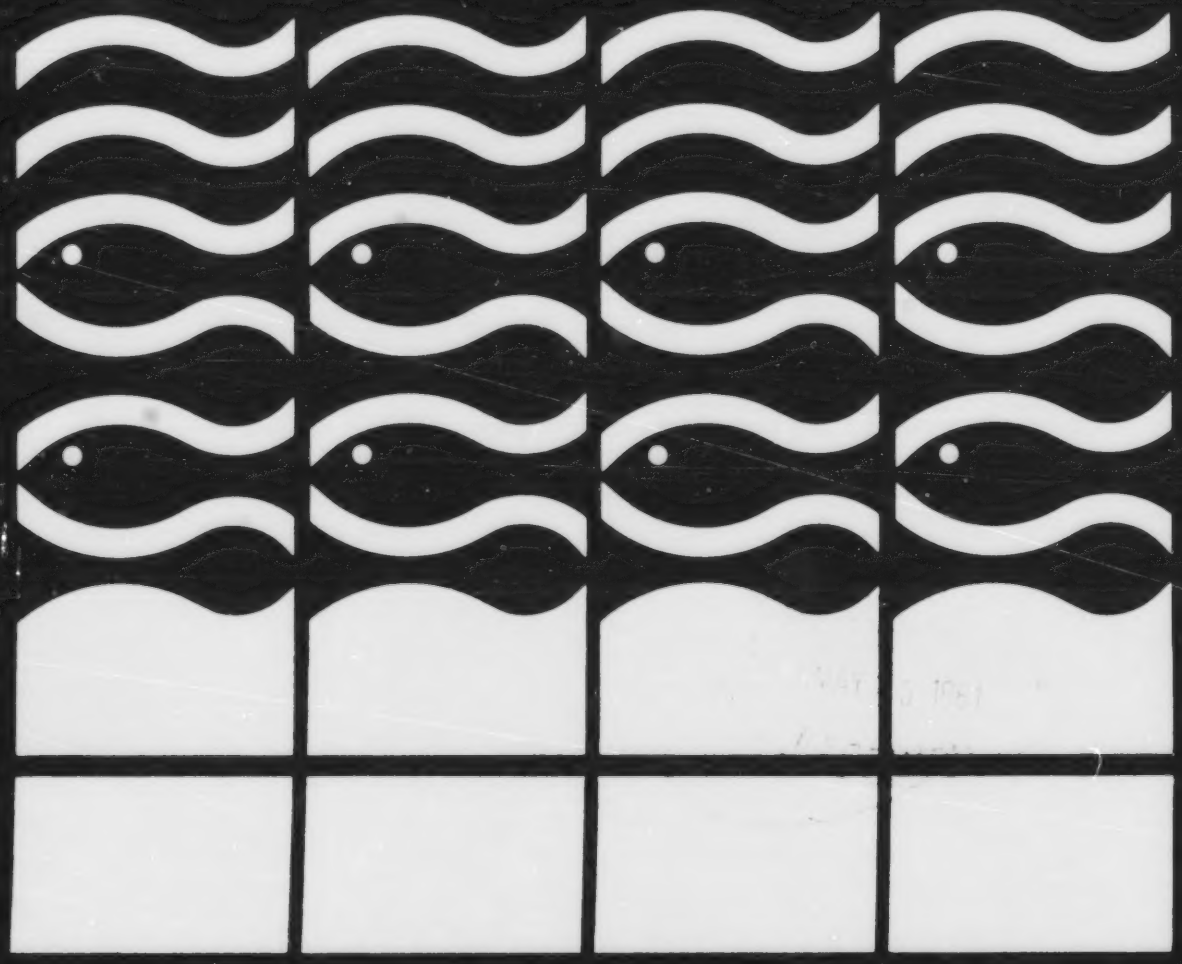
Fishing Industry Advisory Board

Government of Newfoundland and Labrador

Report



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WESTERN EUROPEAN LOBSTER

AND

SHELLFISH MARKET STUDY

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April, 1981

FOREWORD

A substantial and increasing portion of Canadian lobster landings is being marketed in Western Europe. In order to inform Newfoundland firms of this new, diversified market, the Fishing Industry Advisory Board commissioned an established and respected Economics and Market Research group to compile and write a report on the shellfish markets of Western Europe, with special emphasis on the lobster business.

This report is the result of their efforts, and we believe that it provides a broad overview, as well as specific marketing data, which will be valuable to firms active in the lobster trade who would like to avail of the new opportunities arising in Western Europe.

FRANK DOPPLINGER,
Chairman.

April, 1981

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Section 1

The Market for Lobster and Shellfish in Europe

Lobster has traditionally been regarded as a gourmet product in many European countries, with the United Kingdom and Eire satisfying most of the demand from their Continental neighbours. In recent years, however, Canada has turned to Europe for new marketing possibilities, to reduce her dependence on her own traditional outlet - the United States.

The low price of the Canadian product, together with the development of more readily acceptable frozen lobster products, has led to a rapid growth in the market for lobster in Europe, to some extent at the expense of the more traditional sources of supply. But the growing markets have encouraged United States entry, and in 1980 U.K. merchants were able to recover some of their lost sales by reducing their prices. Yet even although Canadian exports have an E.E.C. tariff imposed on them, they are still normally cheaper than lobster from the U.K. exported to Europe.

The pricing policy of Canadian exporters at the time of their decision to increase their marketing effort in Europe is unknown to the Consultants. It appears, however, that prices have been fixed on a mark-up basis rather than being based on a deliberate policy from the outset to underprice and eventually exclude competition from other suppliers. It can be said, however, that the Canadian industry enjoys economies of scale not feasible in the United Kingdom or Eire. (Canada too is reaping the benefits of investment in lobster pounds and product development.)

Canadian /

Canadian exporters have been aided in recent years by the relative weakening of their currency against those of her now-established European markets. Over and above this, the U.K. pound sterling strengthened at the end of the 70s and the start of the 80s, with increased revenue from North Sea oil, and high interest rates making sterling attractive to foreign investors. Thus not only has Canadian lobster been made effectively cheaper in Europe, but lobster from the U.K. has become more expensive due to those currency movements.

It appears to be the case that Canadian lobstermen enjoy considerably better financial aid and subsidies than are available to their U.K. counterparts. This obviously allows Canadian exporters to offer their products at very competitive prices. A recent report[1/] on financial aid and subsidies available to Canadian lobstermen suggests that in total, Canadian lobsters are subsidised by between 13 and 29 U.S. cents per pound, a not insignificant amount.

These four factors, then, (economies of scale, benefits from earlier investments, currency movements and financial aid) have all helped Canada penetrate and develop traditional British markets for lobster in Europe, as well as the U.K. market itself. Table 1 gives catches of American and European lobster by major producing countries, and shows that Canadian production accounted for roughly half of total catches for the period 1975-1978. United States' catches are high too, but slightly less than those of Canada.

1/ Canadian Fisheries Policy and Some Economic Effects of Canadian Lobster Imports on the New England Lobster Industry, by Hasselback, Dirlam and Gates, University of Rhode Island.

As far as Europe is concerned, the Scottish inshore waters are the most abundant in lobster, but the annual Scottish catch of around 500 tonnes is quite insignificant when compared to the 1978 Canadian catch of 17.5 thousand tonnes. Of the target markets on the continent of Europe, only France approaches Scotland in domestic production, but the landings are low and quite clearly unable to satisfy the demand that exists in that country.

Table 2 gives Canadian exports of lobster by product and country of destination for the 3 year period 1977-1979, and this shows the rapid growth which Canadian exporters have achieved. Exports to France of fresh or frozen lobster in shell quadrupled in these 3 years, and it is likely that in 1980 France will have imported more from Canada than she did in 1979.

Increases in sales to other countries have been less dramatic, but steady gains can be noted. There have been rising exports too of frozen and canned lobster meat.

Yet despite these rising exports to Europe, there is little sign of the United States market being neglected by the Canadians, with sales of almost 7.5 thousand tonnes to the United States in 1979 showing a rise of some 30 per cent on the 1978 figure. To some extent, however, it can be said that the United States and Europe are two distinct markets, in that Americans demand a larger lobster than that normally consumed in Europe, where the preferred size is 1lb.-1½lb.

Merchants in Europe show little concern over reports of the incidence of gaffkaemia in North American lobster. Possible losses can be averted by taking simple precautions such as maintaining the water in storage tanks below 10°C and by removing dead lobster from the pounds.

Table /

Table 3 gives imports of lobster into the target markets by country of origin, for both live and frozen whole lobster, for the years 1978 and 1979. France was the only country to import more than 1 thousand tonnes of live lobster in each of these years, and she imported more frozen whole lobster than the four other target markets combined. There is no doubting, therefore, that France is by far the largest of the markets.

However, it is equally true that per capita consumption is highest in Belgium. Her population of around 10 million is about one-fifth of that of France, and on top of this France attracts millions of visitors and tourists each year, whereas this is less true with Belgium. But figures in Table 3 show large quantities of live lobster imported into Belgium. The main reason given to the Consultants by merchants in Belgium is quite simply a liking for good food on the part of the average Belgian.

The third largest of the target markets is the Netherlands. Her position is somewhat anomolous, in that much of these imports are re-exported. However, figures for 1980 suggest that the Dutch internal market is growing as merchants there seek to maintain sales in the face of lower demand from Belgium, whose importers are tending to procure their supplies directly from Canada.

The U.K. and the G.F.R. import only limited quantities. The U.K. is a net exporter, but it is perhaps true that the internal market has been neglected by U.K. merchants who could sell their product at a higher value on the Continent of Europe. This explains the not insignificant quantities imported from Canada.

Consumption /

Consumption in each of the target markets is at its highest during the festive period. "Total chaos" was the phrase used by one merchant visited by the Consultants when describing the inland market at Rungis near Paris in France during the month of December. During the summer months consumption of lobster is high too, with tourists accounting for some of these purchases.

There is little storage of lobster in Europe. On the one hand, it is only recently that lobster has been imported in such large quantities, and on the other, orders placed with merchants in Canada and Britain can normally be delivered at very short notice.

The pricing mechanism in the target markets is at present dominated by the supply function. Lobster from the U.K. is only exported to the continent of Europe in reasonable quantities when improved landings in the spring and summer allow the price to fall. In the case of Canadian lobster, the fact that exports to Europe have risen so much with no corresponding increase in price shows a willingness on the part of European merchants to take the Canadian lobster offered. However, there are signs that demand will replace supply as the major price determinant, especially at periods of peak consumption, now that the product is more established. The price mechanism in each of the target markets is described more fully in the individual market commentaries.

Apart from this rise in importance of the demand function, the other changes which will characterise the lobster market in the short to medium term include a move away from poorly-graded and more-expensive U.K. lobster on the part of merchants in Europe in favour of the competing Canadian product.

Gradually, /

Gradually, too, more frozen lobster will be sold in both restaurant and non-restaurant retail outlets (though in the latter case increased promotional effort is required). It is certainly considerably easier to handle and store frozen as opposed to live lobster, and the quality of the frozen product is only marginally below that of the live. This trend, however, points to a dilemma for Canadian exporters, for the more a lobster is processed, the lower its value. The problem can be put simply - is the goal of Canadian merchants high sales or high average revenue? Should they promote the product which the European merchant will come to want, thus reducing total possible income, or should live lobster be the subject of increased marketing effort to keep profits as high as possible. In deciding their policy, it will be necessary for the Canadians to consider the marketing plans of United States' firms now having their eyes on the European market.

Given these factors, it is fair to say that the various European outlets developed by the Canadians will remain in turmoil for years to come. Not only will there be increased competition from the United States, but U.K. merchants will probably become increasingly professional in their outlook, by improving packaging, grading, etc.

The market for other shellfish and shellfish products in the target markets is outlined in the country profiles. France is the major market, importing almost 100 thousand tonnes in 1980 (excluding shellfish preparations). France is the only country to import large quantities of a wide range of products. The Belgian, German, British and Dutch imports are dominated by two species - shrimps and mussels. However, there is a general tendency for these countries to increase their imports of prepared or preserved shellfish.

The E.E.C. tariffs on imports of shellfish and shellfish preparations are outlined overleaf in Appendix I.

TABLE 1: CATCHES OF AMERICAN AND EUROPEAN LOBSTER BY COUNTRY
('000 Tonnes Nominal Weight)

	1975	1976	1977	1978	1979
Canada	17.5	16.0	17.8	17.5	
U.S.A.	13.7	14.4	14.4	15.6	
France	0.4	0.3	0.4	0.4	
Eire	0.3	0.4	0.3	0.3	
Norway	0.1	0.1	0.1	0.1	
England & Wales[1/]	0.3	0.3	0.4	0.3	
Scotland	0.5	0.5	0.5	0.5	
Other	0.2	0.3	0.2	0.2	
TOTAL	33.0	32.3	34.1	34.9	

1/ Does not include N. Ireland, Channel Islands or Isle of Man

Source: F.A.O.

TABLE 2: CANADIAN EXPORTS OF LOBSTER BY PRODUCT AND COUNTRY OF DESTINATION (PRODUCT WEIGHT)

	1977			1978			1979		
	tonnes	000 $	000 $/t	tonnes	000 $	000 $/t	tonnes	000 $	000 $/t
Fresh or Frozen in Shell									
United Kingdom	66	458	6.9	130	917	7.1	166	1,236	7.4
Belgium/Luxembourg	190	1,475	7.8	441	3,414	7.7	944	6,719	7.1
France	210	1,382	6.6	583	3,299	5.7	1,097	6,719	6.1
G.F.R.	132	1,034	7.8	209	1,689	8.1	256	2,369	9.3
Netherlands	221	1,418	6.4	377	3,097	8.2	453	3,760	8.3
Sweden	73	365	5.0	169	1,007	6.0	190	960	5.1
Japan	336	1,597	4.8	194	852	4.4	39	260	6.7
U.S.A.	6,263	31,381	5.0	5,742	35,111	6.1	7,426	41,843	5.6
Other	55	259	4.7	91	565	6.2	235	1,633	6.9
Total	7,546	39,369	5.2	7,936	49,951	6.3	10,806	65,499	6.1
Lobster Meat - Fresh or Chilled									
U.S.A.	85	1,024	12.0	29	516	17.8	56	580	10.4
Other	11	50	4.5	-	-	N.A.	46	512	11.1
Total	96	1,074	11.2	29	516	17.8	102	1,092	10.7
Lobster Meat - Frozen									
United Kingdom	36	253	7.0	46	486	10.6	93	1,019	11.0
U.S.A.	1,182	15,352	13.0	1,288	18,739	14.5	980	13,342	13.6
France	7	45	6.4	80	362	4.5	339	2,340	6.9
Other	95	735	7.7	83	989	11.9	200	1,736	8.7
Total	1,320	16,385	12.4	1,497	20,576	13.7	1,612	18,437	11.4
Canned									
U.S.A.	41	563	13.7	148	1,646	11.1	114	1,659	14.6
Other	158	2,059	13.0	211	2,347	11.1	519	2,931	5.6
Total	199	2,622	13.2	359	3,993	11.1	633	4,590	7.3
TOTAL	9,161	59,450	6.5	9,821	75,036	7.6	13,153	89,618	6.8

\- Nil
N.A. Not Applicable

Source: Government of Canada - Fisheries and Oceans
Shellfish Market Bulletin

TABLE 3: IMPORTS OF LOBSTER BY COUNTRY OF ORIGIN (TONNES, PRODUCT WEIGHT)

Country of Origin / Country of Destination	U.K.		Eire		Canada		U.S.A.		Netherlands		Other		Total	
	1978	1979	1978	1979	1978	1979	1978	1979	1978	1979	1978	1979	1978	1979
Live														
France	428	445	116	148	453	422	-	-	-	-	113	152	1,110	1,167
Belgium	211	190	-	39	308	391	51	49	149	255	80	28	799	952
Netherlands	188	140	-	-	308	341	21	73	-	-	32	26	549	580
G.F.R.	46	44	-	-	122	148	-	-	-	-	79	89	247	280
U.K.	-	-	-	-	137	100	-	-	-	-	6	28	143	128
Total	873	819	116	187	1,328	1,402	72	122	149	255	310	323	2,848	3,107
Frozen - Whole														
France	-	-	-	-	682	898	-	-	-	-	13	48	695	946
Belgium	-	-	-	-	92	206	-	-	-	-	23	21	115	227
Netherlands	-	-	-	-	14	22	-	-	-	-	1	11	15	33
G.F.R.	-	-	-	-	33	53	-	-	-	-	9	5	42	58
U.K.	-	-	-	-	4	9	-	-	-	-	30	10	34	19
Total	-	-	-	-	825	1,188	-	-	-	-	76	95	901	1,283
TOTAL	873	819	116	187	2,153	2,590	72	122	149	255	386	418	3,749	4,390

- Nil, Negligible of Not Available

Source: Individual Countries' Trade Statistics

APPENDIX 1

E.E.C. Duties on Imports of Shellfish from Third Countries

CRUSTACEANS		
I	Crawfish (Palinurus, Panulirus and Jasus)	25%
II	Lobsters (Homarus)	
	a) live	9.8%
	b) other - whole	12.4%
	- other - frozen	19.5%
	- other	20%
III	Crabs and Freshwater Crayfish	
	a) Crabs - Paralithodes camchaticus, Chinoecetes and Calinectes sapidus	14.1%
	b) Other	15%
IV	Shrimps and Prawns	
	a) Prawns (Pandalidae)	12%
	b) Shrimps (Crangon) - fresh, chilled or boiled in water	18%
	- other	18%
	c) Other	18%
V	Other (e.g. Norway lobster)	12%
MOLLUSCS		
I	Oysters	
	a) European flat, 40g. or less in weight	Free
	b) Other	18%
II	Mussels	10%
III	Snails (other than sea snails)	Free
IV	Other	
	a) Frozen:	
	Squid:	
	aa) Omanastreples sagittatus and loligo	6%
	bb) Other	8%
	Cuttlefish (sepia officinalis, Rossia macrosoma, Sepia sondeleti)	8%
	Octopus	8%
	Other - cockles	-
	- other	-
PREPARATIONS		
	Crabs	16%
	Other (Shrimps and prawns, canned)	20%
	(Other)	
	(Molluscs)	

APPENDIX 2

Current E.E.C. Reference Prices for Shellfish

Squid:	Loligo spp. Omnastrephes sagittatus Todarodes sagittatus Illex spp.	1,731 845	EUA/tonne " "
Cuttlefish:	Sepia officinalis, Rossia macrosoma, Sepia rondeleti	1,104	" "
Octopus		839	" "

APPENDIX 3

Exchange Rates - National Units per U.S. Dollar

	Canada Dollar	France Franc	Belgium Franc	G.F.R. DM	Netherlands Guilden	U.K. Pound
1976	0.986	4.780	38.61	2.52	2.64	0.554
1977	1.064	4.913	35.84	2.32	2.45	0.573
1978	1.141	4.513	31.41	2.01	2.16	0.521
1979	1.171	4.254	29.32	1.83	2.01	0.471

Source: O.E.C.D.

Section 2

The French Market for Lobster and Shellfish

INTRODUCTION

The population of France at the beginning of 1979 was some 53.4 millions, with Paris (9.3 millions); Lyon (1.3 millions) and Lille and Marseille (both over 1 million inhabitants) the major centres of population.

The French as a race consume large quantities of seafood, and total consumption is boosted by the large numbers of holiday-makers who find their way to France each year. The market for shellfish in general is sizeable, with domestic production in 1979 of 240 thousand tonnes supplemented by a further 90 thousand tonnes of imports (excluding prepared or preserved shellfish). Oysters and mussels together accounted for 70 per cent of shell-fish production in 1979, and 30 per cent of imports. Yet there are other important species in the French market, with crab of particular interest to Canadian exporters.

A brief look at the market for lobster shows that annual production of some 3-4 hundred tonnes is clearly too low to satisfy total demand, and over 2 thousand tonnes of live and frozen lobster were imported in 1980 - more than double the 1978 figure. Cheaper lobster from Canada, together with the development of readily-accepted frozen lobster products has led to this quite spectacular growth in lobster consumption in France.

THE MARKET FOR LOBSTER

a) Production

Landings of lobster in France are relatively insignificant, with an annual average in the period 1975 to 1979 of just 360 tonnes. There is no close season, capture being permitted all year round. Landings are substantially higher in the summer months, peaking in June, July and August at around 60 tonnes per month.

Figure 1 gives monthly landings in France during 1978 and 1979, and from it the seasonal nature of production is evident.

The rocky north-western corner of France is the main area for lobster production, with Cherbourg in Normandy and Morlaix in Brittany the two major ports for landings.

Local merchants and larger firms in the ports of landing purchase these lobsters entering into an agreement at the beginning of each year to buy the catches of local fishermen. They are sold locally to the hotel and restaurant trade in the case of smaller merchants, and the larger firms sell to wholesale customers throughout France. Merchants at the inland market at Rungis will order French-caught lobster, but usually only if imports are insufficient to meet short-term demand.

There is little fluctuation in the first hand sale price of French-caught lobster. This contrasts with the situation with regard to, for example, imports from the United Kingdom, which display a greater degree of price elasticity of supply and demand. This relative price-stability is due to the fact that domestic production is seen as a secondary source of supply by French merchants.

b) /

b) Imports

Imported lobster - mainly from the U.K. and Canada - accounts for virtually all consumption of the product in France. Some 2.1 thousand tonnes of live and frozen lobster were imported into France in 1980 - more than double the figure for 1978 and three times greater than the amount imported in 1976 (See Table 1). Imports of lobster from Canada rose slowly between 1976 and 1978, but this turned into a flood in 1979 and 1980, especially in the case of frozen whole lobster. Imports of frozen whole lobster from Canada in 1980 fell just short of 9 hundred tonnes, against just 10 tonnes in 1976 and 150 tonnes in 1978.

The conclusion to be drawn from such statistics is that the large quantities of Canadian lobster offered for sale in France has led to this growth in consumption. Sold at a lower price than those from traditional sources, lobster has been brought into the price range of many more potential consumers, and with cheaper frozen lobster facilitating storage for hotels and restaurants who found live lobsters difficult to obtain or uneconomic, the result has once again been an increase in the market for lobster.

A further factor has enabled the Canadians to sell more lobster in France - the ability of merchants to offer large numbers of similar-sized lobster. This is becoming more and more important as hotels and restaurants seek to introduce portion-control in their kitchens. Uniform sizes mean uniform retail prices too.

A perhaps unexpected result of the Canadian-inspired market growth in France has been a rise in imports from other countries, especially traditional sources of supply like the U.K. and Eire, despite the fact that lobster from these countries is usually more expensive and poorly graded in comparison with the Canadian product. There are signs too that United States' merchants have noticed the new marketing possibilities in France. Imports of /

of live lobster from "other" countries - especially the U.S. - almost doubled in the period 1976 to 1980.

Figure 3 gives monthly imports of live and frozen lobster by country of origin, and shows quite clearly that supplies from Canada peak at the end of the year, in time for the festive season. Large quantities of frozen lobster were imported in the month of November in both 1979 and 1980. These are normally stored for consumption during December, and are imported early to reduce the work load in the hectic month of December. Considerable quantities of live lobster are imported from Canada in December. There seems to be a tendency, however, for frozen lobster to replace the live product in December, for there was a slight fall in imports of live lobster from Canada in December 1980 over December 1979, while frozen imports, at 250 tonnes, were substantially higher than in December 1979. There are three reasons for this - most merchants have limited storage space and could not cope with very large quantities of live lobster; the lobster would be offered to a less discerning consumer; and the fact that it is cheaper than the live product.

At other times of the year, supplies of lobster from Canada are much lower. There is some fluctuation in the amounts of frozen lobster imported, but very little live Canadian lobster is imported in the summer months. Many merchants fear increased mortality of live lobster from Canada during hotter weather, and in any case lobster from the U.K. becomes cheaper in the summer months as supplies improve. This is a traditional feature of the market.

The U.K. industry is on a considerably smaller scale than the Canadian operation, and storage possibilities are limited in comparison. Figure 3 shows the regular pattern of seasonality of U.K. exports to France. The months of July, August and September were /

were the peak months in both 1979 and 1980, when the price was low, thus making them a more attractive proposition to the French merchant.

The Scottish lobster in particular enjoys a favourable reputation in France for quality and taste, justified in the eyes of some French merchants, unjustified according to others. It is difficult to quantify such a reputation, but it is undoubtedly connected to the reputation of other Scottish products such as venison and salmon. It is connected too to the fact that Scottish lobster is the established product among connoisseurs. Taste is obviously a personal matter, and perhaps if Canadian rather than Scottish lobster had been imported into France for many years then it would have a better reputation than the Scottish product. It is true, though, that restaurants often specify their lobster as being of Scottish origin, and knowledgeable, or rich,consumers are willing to pay a premium for it. This quality product is considered by many merchants to have a low price elasticity of demand.

Yet many French merchants are of the opinion that Canadian lobster matches the Scottish product for freshness, quality and taste, and suggest that in any case the consumer could not tell the difference between Canadian and Scottish lobster once cooked.

Given the lower price of the Canadian lobster, especially of the frozen product, many merchants are tending to import it all the year round, rather than just when supplies from the U.K. or Eire are scarce and expensive. Blanched lobster frozen in seawater is undoubtedly the most popular of these frozen products, for it can be offered to the consumer in the same manner as live lobster. There is a limited market for canned lobster meat to be used in salads /

salads, as an alternative to crab meat. Other companies are seeking to develop the market for frozen lobster claws, once again as an alternative to crab. It is difficult to estimate the chances of success of such products, for crab is generally cheaper, more readily available throughout the year and is what the consumer expects to be offered. Yet if the advent of cheaper lobster from Canada can continue to increase the total lobster market in France, then possibly such products as frozen claws and meat could gain more consumer acceptance.

The only tariff barrier to trade is an E.E.C. levy on imports from third countries. In most instances, however, this does not mean that Canadian lobsters become more expensive than those imported from E.E.C. countries.

There are no significant non-tariff barriers to trade, given that demand far outstrips total domestic production. Importers are conversant with imperial as well as metric weights, and usually order a number of fish of around a certain weight. Orders are often made in pounds as opposed to kilograms, and invoices are made out in the currency of the country of origin rather than French francs.

Delivery is made by air in most cases, and good delivery is usually possible, even from Canada. Extra care is necessary, however, in the summer months when excessive heat may increase mortality rates. Imports from the U.K. and Eire can be made in lighter aircraft, thus permitting direct delivery to more outlying areas with smaller airfields, eliminating a further long stage in transport from airfield to storage tank.

Mortality /

Mortality loss is shared between buyer and seller, but the former can sell lobsters found to be dead on arrival immediately to hotels and restaurants, thus reducing financial loss. There exists, however, the temptation for mortality rates to be exaggerated by importers. (This could be seen as an incentive to trade on the part of French importer, but is a barrier to exporters). In some cases British merchants actually travel with the lobster being exported to verify mortality rates. To eliminate this problem as much as possible a good working relationship between the two parties is required.

Some smaller firms may find that foreign trade causes cash-flow problems, though this may not affect larger Canadian enterprises.

The low rate of VAT (7 per cent) does not constitute a barrier to trade.

There exists one further barrier to trade of interest to Canadians, namely the price differential between Canadian and British lobster, and the price of other competing products such as crawfish. This is discussed more fully in the following section.

In conclusion to this section, it has to be said that the French market for lobster is presently in a state of change, if not turmoil. Although it is not possible to make firm predictions from data relating to short periods, the fact that the price of imported lobster from Canada rose in December 1980, while it fell in December 1979, suggests that firm demand has been created from the /

the large quantities shipped earlier to France at lower prices. It is safe to say that the market will remain in turmoil for a while to come, as other entrants are attracted to this growing market, and traditional sources of supply seek to preserve and increase their market share.

c) Prices

More so than the ability of Canadian lobster exporters to offer well-graded lobster throughout the year, it is the low price of their product which has helped them to develop the French market, especially since the price of British lobster is high in comparison. There are several reasons for this. The size of the Canadian lobster industry produces economies of scale, and possibly Canadian lobstermen benefit more from subsidies than their British counterparts. On top of this, the Canadian dollar has weakened in recent years against the French franc, which, on the other hand, has weakened against the U.K. pound sterling, as the following text-table shows:-

French Francs per Unit of Foreign Currency

	Canadian $	U.K. Sterling
January 1979	4.29	9.13
October 1980	3.63	10.25
% change	- 15	+ 12

Source: I.N.S.E.E. - Bulletin Mensuel de Statistique

These currency movements have made Canadian lobster more competitive in price, while at the same time the British lobster has become less price-competitive in the French market. Over and above this, U.K. lobstermen and merchants have been troubled by very high interest rates. Reference to Table 1 shows that French imports of live lobster from Canada averaged just 47 thousand francs/tonne, against over 60 thousand francs/tonne paid for lobster from the U.K.

Figure 4 /

Figure 4 gives the average monthly import prices of Canadian (both live and frozen) and live U.K. lobsters into France. This graph should be consulted along with Figure 3 covering monthly imports of these products by weight. The price is affected by a series of factors embracing quality, demand and supply of both the U.K. and Canadian product.

The price of U.K. lobster falls from the beginning of the year onwards up to July or August, when it picks up again. The price is high in the first quarter of the year when supplies are lower. Landings improve in the second quarter of the year and the price continues to fall. However, apart from the increased availability, the price is forced down by lower demand during this period prior to the holiday season. In the third quarter of the year, the U.K. lobster begins to rise slowly but steadily in price. Demand is high during this time of the year, and supplies from Canada are at their lowest. Merchants have traditionally ordered lobster from the U.K. during these months, and there is a fear of higher mortality rates on the longer journey from Canada.

The price of the U.K. lobster then peaks again at the end of the year as landings decline due to poorer weather.

It is interesting to note from Figure 4 that during the period March to September 1980 (with the exception of July), the average monthly prices of U.K. lobsters imported into France were lower than in the same months of 1979. This was due not only to better landings but also to the fact that U.K. merchants were forced to lower their prices in the face of the growing Canadian dominance of the market. This narrowing of the price differential increases demand for U.K. lobster, and the results can be seen in Figure 3 when imports from Canada of live lobster during July, August and September 1980 were lower than during the same quarter of 1979.

The /

The selling price of Canadian lobster fluctuates between narrower limits than the U.K. product. One reason for this is the large amounts held in Canadian pounds which facilitiate year-round supply. Moreover, no fixed pattern of supply and demand has yet been established like the one developed between British and French merchants.

Live Canadian lobster rises in price to some extent at the beginni of the year when supplies are lower due to poor catch rates. Lower prices of, and increased demand for, U.K. lobster in the summer months forces down the price of the Canadian product as French merchants turn to the U.K. for their supplies. Then, as lower U.K. landings lead to higher prices in late summer, demand increases for Canadian lobster, and its price rises in turn.

However, while the price of live Canadian lobster fell during the last quarter of 1979, the opposite was the case in the same period of 1980. Three factors contributed to this: poorer Canadian landings; increased demand from France; and a growing realisation on the part of Canadian exporters, that in view of the high prices paid for lobster from the U.K. and Eire, a relatively small increase in times of high demand would not meet with much resistance. Obviously, though, any attempt to capitalise on the market developed by raising prices too much would lead to a collapse in demand.

The price in Boston appears to have a small, but limited effect on prices in France. Obviously, if demand and prices are higher in Boston then there will be a tendency for Canada to sell her lobster there, or to expect an equally good price in France. Prices in America, however, seem to have little effect on supply to the French market. (One reason for this is the fact that the American market demands a larger lobster than that in France, so that the two markets are relatively independent.)

There /

There is little evidence of the incidence of gaffkaemia in North American lobster having any effect on the price of Canadian exports to France. Most merchants there are happy to import and even store it.

One factor, however, which does influence demand on the part of French merchants is the availability and price of crawfish - considered a substitute for lobster in France. Crawfish is known to the French diner, and a restaurant would normally offer either lobster or crawfish. There is no question of crawfish being passed off as lobster, but if the former is substantially cheaper then merchants will import it in the knowledge that it will be readily bought by hotels and restaurants. Some crawfish is imported from the U.K. and Eire, but many other countries see the large French market worthy of their attention, and imports have risen in recent years, especially of crawfish pieces, as the following text-table shows:-

French Imports of Crawfish
(Product Weight)

	1976		1977		1978		1979	
	tonnes	000 F/t	tonnes	000 F/t	tonnes	000 F/t	tonnes	000 F/t
Whole	847	35.4	954	36.7	1,084	38.9	827	49.1
Pieces	1,040	54.8	1,246	58.4	1,296	63.1	1,367	66.6
Total	1,887	46.1	2,200	49.0	2,380	52.1	2,194	60.0

Increased amounts of crawfish pieces are coming from Cuba, and it seems likely in the years to come that the existence of this competing product will have an adverse effect on the price paid for Canadian lobster.

The V.A.T. rate levied on lobster in France is the normal 7 per cent, so that the price to the final consumer is not made unduly expensive by taxation. In many cases restaurants may offer lobster (or crawfish) at a loss, quite simply because a top-class restaurant must offer one or the other.

d) /

d) Distribution and Consumption

Lobster, both live and frozen, is imported, usually by air, by merchants in the inland market at Rungis by Paris, and by other firms in the north and west, where most of the French lobster is landed. These merchants in turn sell the lobster to wholesalers around the country, whose customers are in the main hotels and restaurants. Merchants will, however, supply lobster directly to hotels and restaurants in their vicinity. Only minimal amounts of lobsters are sold by non-restaurant retail outlets.

Within a range of up to 100 miles, merchants at Rungis deliver orders by road. Beyond this, orders are dispatched by rail. Many wholesalers and restauranteurs visit Rungis in person to purchase their lobster, and in this event payment is usually made at the time of purchase. It is not unknown for Belgian, Dutch and German merchants and wholesalers to travel to this market if lobster supplies are low in their respective countries.

Smaller merchants, especially at Rungis, have limited storage space and usually order lobster according to their needs, perhaps once or twice a week. Frozen lobster, however, has helped ease storage problems - witness the large quantities imported during October and November for the festive period.

Purchasers of Canadian lobster may contact the Canadian firm directly (by telephone or telex) to place their orders, though some merchants prefer to deal with European offices of Canadian firms. Lobster is imported too from the Netherlands, where several established shellfish merchants have added it to their range of products. French merchants have been known to make the trip to Billingsgate market in London to be certain of securing sufficient supplies at times of high demand.

Restaurant consumption accounts for virtually all lobster sold in France. Some frozen lobster, whether hot or cold pack, is sold in supermarkets and delicatessens, but the amounts sold in retail outlets such as these will rise only slowly.

The most likely future alternative source of supply is the United States, where merchants have started to take advantage of the new market opened up by the Canadians. Possibly more will be imported too from the U.K. and Eire, especially if their prices are more competitive. A further development could be increased speculation on the part of some Norwegian merchants, who import lobster from Scotland during the summer months when it is cheap, for resale to the Continent of Europe during the festive season.

The major centres of consumption are presently the Paris region and the south coast. Both areas have extensive tourist interests. However, the advent of cheaper and frozen lobster will increase consumption throughout France.

e) Conclusions and Market Development Strategy

A summary of the major points established in this section of the report suggests that, though the French market for lobster is in a state of turmoil, the growth in the market brought about by large quantities of cheaper lobster exported from Canada seems to be permanent in nature. It is fair to say that Canadian supply has engendered French demand.

Yet there remains a traditional, if seasonal, demand for British lobster in France, and despite the fact that it is more expensive and poorly graded, there is a tendency among French importers to turn to the U.K. for their supplies when they are more readily available and fall in price.

This /

This situation will change over the years, but only at a very slow rate. Increasingly, merchants in France will be seduced by the advantages of the Canadian product, and these should form the basis of a market development strategy.

In the first instance, the price of the Canadian lobster should be maintained at a low level. Although lobster consumption is considered to be influenced by income rather than price, the fact that consumption has risen so steeply in recent years is due to its low price bringing it within the means of a whole new group of consumers. A substantial rise in price would only serve to reverse this.

Secondly, the price differential between Canadian and British lobster should be such that French merchants will order from the former rather than the latter when supplies from Britain are at their cheapest. The lower price of the Canadian lobster has certainly aided its penetration of the French market and led to the growth in total consumption, but Canadian exporters must recognise the propensity among French merchants to turn to British sources if the gap between the respective prices of British and Canadian lobster narrows. To a large extent it is this gap, rather than the price, whish is the most important factor. It is recommended, therefore, that, during the summer months, when British lobster dominates the market, Canadian exporters should follow the price cycle of the U.K. lobster.

By keeping prices low, new entrants to the French market will be discouraged.

Pricing policy too should take into account the price of crawfish products in the French market, for it is likely that there will be increased supplies of these products offered to French importers.

Emphasis /

Emphasis should be placed on the ability of Canadian firms to deliver large quantities of similar-sized lobster. This is a unique feature of the Canadian industry, and is an important factor in an age when hotels and restaurants pay more attention to portion control.

In view of the tendancy for mortality rates to rise in hot weather, extra care in packing is necessary during the summer months. A fear of increased mortality is one reason why French merchants seek supplies from the U.K. during this period.

In order to develop fully the potential for Canadian lobster in France, branch offices of Canadian firms in France are required. This would allow orders to be placed in metric rather than imperial weights, and for invoices to be in French rather than Canadian currency.

Such policies should lead to a growth in the total market for Canadian lobster, both in its own right and as an alternative to British lobster.

THE FRENCH MARKET FOR OTHER SHELLFISH

As mentioned in the Introduction to the French market, very large quantities of shellfish are landed in France, but substantial amounts are imported too to satisfy demand.

Table 2 shows that annual landings of shellfish in the period 1975-79 fluctuated between 210 and 240 thousand tonnes. Oysters and mussels are the most important, and the French government has announced plans to aid producers of these species in a bid to reduce the trade deficit in these products. It is hoped that domestic production of oysters can be raised to 140 thousand tonnes, and that of mussels to 70 thousand tonnes, by 1986 (in 1980, some 28 thousand tonnes of mussels were imported - 17 per cent more than in 1979. There was a drop, however, in purchases of oysters from outwith the country).

Apart from these two species, crab (especially C. Pagurus), nephrops and scallops are of importance in the French fishery. Production of scallops fell to just 16 thousand tonnes in 1979, from a peak for the period in question of 21.1 thousand tonnes. A recent report[1/] concludes that production could be increased without damaging the stocks, but that there is little possibility of this occurring, mainly because those who fish for scallops turn to more lucrative species whenever possible. Consequently, one can expect demand to rise in France for imports of scallops.

Consumption of scallops, like that of oysters, is very seasonal - the peak being at the end of the year during the festive season, which is followed by low levels of consumption in the first quarter of the year. A second, but lower, peak, follows at Easter.

Three regions in France account for the largest part of fresh scallop consumption - Brittany, the North of the country, and the Paris region. However, consumption of frozen and processed scallops is more widespread throughout France.

Other /

1/ "Marche Potentiel des Pectinides en France", Institut National de la Recherche Agronomique. Nantes.

Other species important in the French market and of interest to Canadian exporters include crab, squid and shrimps and prawns. At present France imports most of her unprocessed crab from the U.K. (3 thousand tonnes in 1979). Canada and Thailand are the major sources of prepared or preserved crab. Bur while imports of crab from Canada are rising slowly, those from Thailand jumped from 1.2 thousand tonnes in 1978 to 2.2 thousand tonnes in 1979.

Large quantities of squid are imported from the U.S.A. Thailand and India are the other major suppliers.

Combined imports of shrimps and prawns accounted for the largest single part of the total value of shellfish imports between 1978 and 1980, though in weight terms they were less important than mussels. Most of the Crangon and Pandalid varieties are purchased from within Europe. Other varieties come from African countries like Senegal with which France has strong trading links dating from colonial times. Prepared or preserved shrimps, however, are imported from such countries as Malaysia.

A brief overview of the market for such species and products brings to light the problems likely to face any Canadian exporter seeking to penetrate the French market. On the one hand there are well developed trade links between European countries, which have been strengthened by the development and enlargement of the E.E.C. On the other hand, France has long-established links too with her erstwhile colonies in Africa.

Such trade barriers do not arise in the case of lobster where there are few competing sources of supply, and where the very high value of the product permits profitable trading in the live animal.

Tables /

Tables 4 and 5 show, respectively, seasonal household consumption of, and the profile of buyers of, frozen shellfish. Household purchases peak in the last quarter of the year, i.e. around the festive period.

The data presented in Table 5 suggests that the average consumer of frozen shellfish is between the ages of 35-49, in the leisured socio-economic group, lives in a town of between 2 thousand and 50 thousand inhabitants, and lives in a household numbering 4 persons or more.

FRANCE
TABLE 1:

IMPORTS OF LOBSTER BY COUNTRY OF ORIGIN (PRODUCT WEIGHT)

	1976			1977			1978			1979			1980		
	tonnes	000 F	000 F/t	tonnes	000 F	000 F/t	tonnes	000 F	000 F/t	tonnes	000 F	000 F/t	tonnes	000 F	000 F/t
Live															
U.K.	358	15,812	44.17	358	17,546	49.01	408	22,258	54.55	428	25,888	60.49	445	27,041	60.77
Eire	112	4,753	42.44	81	3,742	46.20	71	3,914	55.13	116	6,702	57.78	148	7,944	53.68
Canada	145	6,124	42.23	162	6,455	39.85	181	7,844	43.34	453	16,124	35.59	422	19,846	47.03
Other	86	4,127	47.99	88	4,708	53.50	88	5,121	58.19	113	6,631	58.68	152	8,679	57.10
Total	701	30,816	43.96	689	32,451	47.10	748	39,137	52.32	1,110	55,345	49.86	1,167	63,510	54.42
Whole															
Canada	10	293	29.30	98	2,123	21.66	147	4,981	33.88	682	16,948	24.85	898	22,609	25.18
Other	6	148	24.67	11	261	23.73	14	411	29.36	13	455	35.00	48	1,249	26.02
Total	16	441	27.56	109	2,384	21.87	161	5,392	33.49	695	17,403	25.04	946	23,858	25.22
Other	*	*	-	*	*	-	89	740	8.31	6	234	39.00	2	97	48.50
TOTAL	717	31,257	43.59	798	34,835	43.65	998	45,269	45.36	1,811	72,982	40.30	2,115	87,465	41.35

* Nil or negligible
\- Not applicable

Source: D.N.S.C.E.

FIGURE 1

FRANCE: MONTHLY LANDINGS OF EUROPEAN LOBSTER

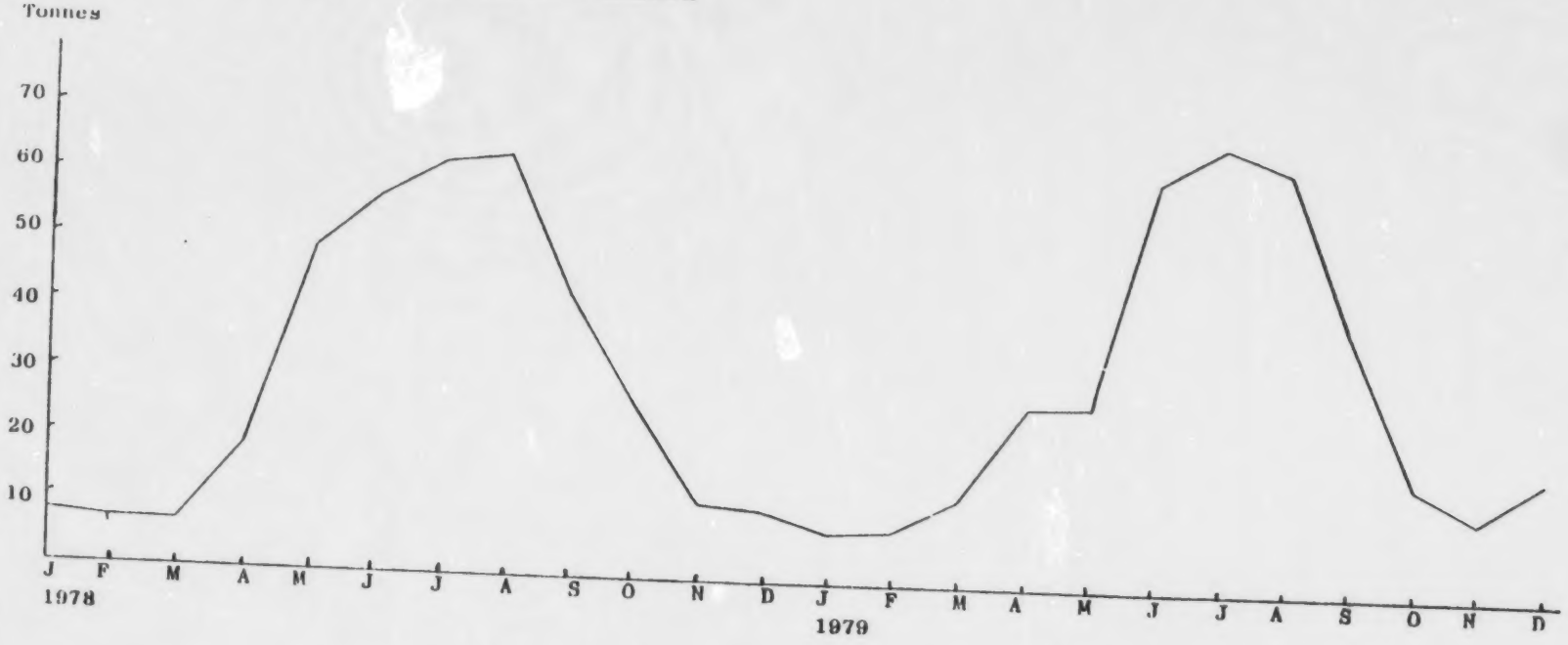
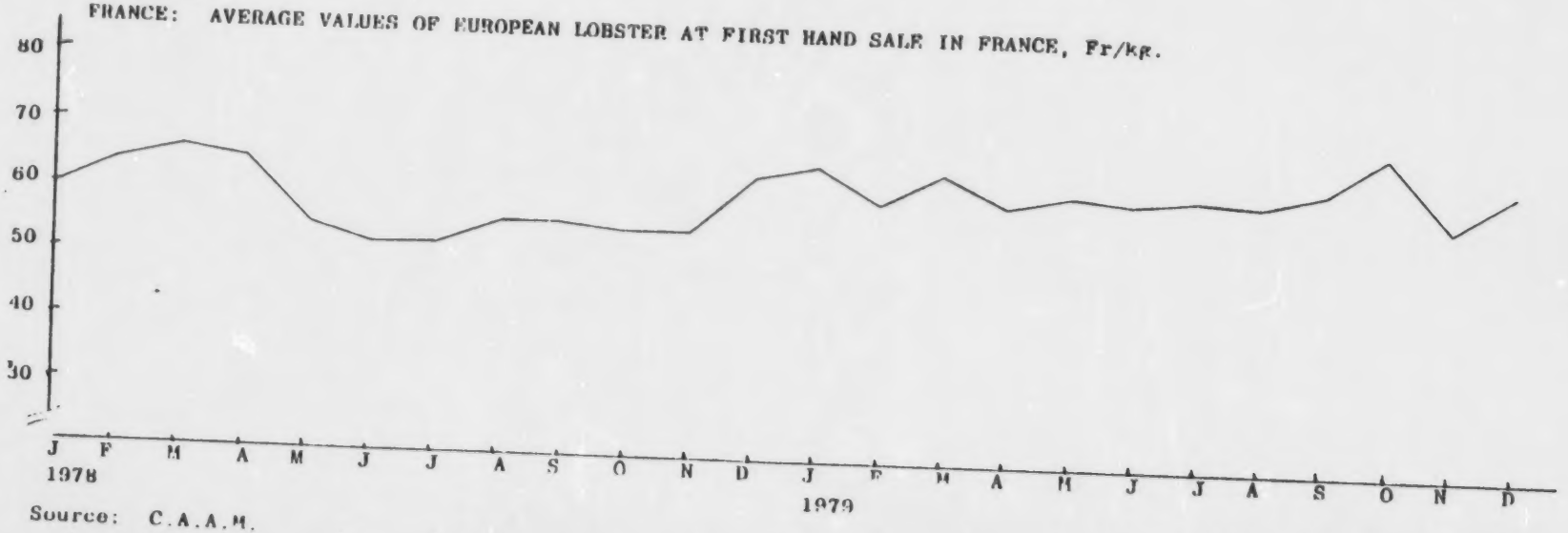


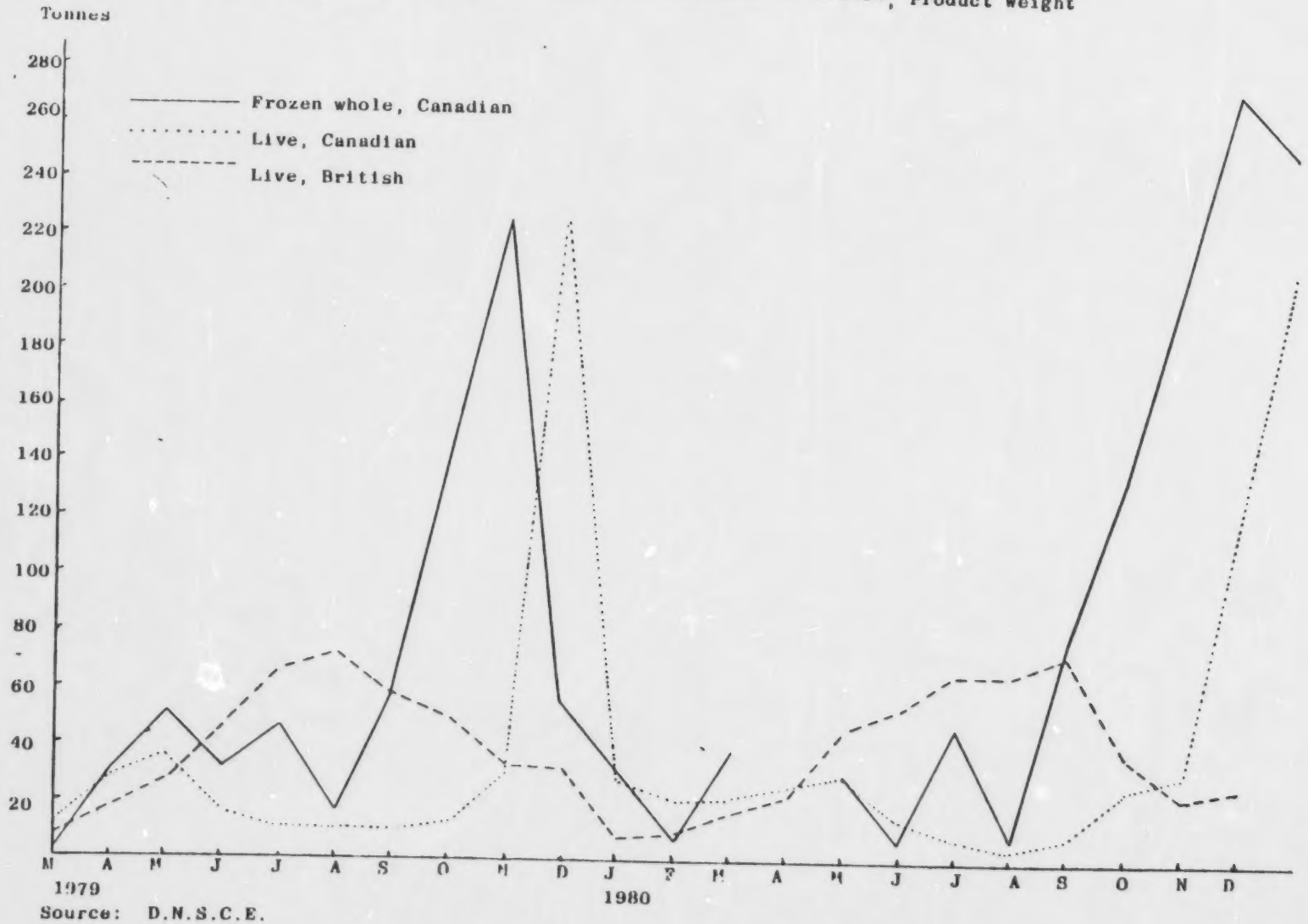
FIGURE 2

FRANCE: AVERAGE VALUES OF EUROPEAN LOBSTER AT FIRST HAND SALE IN FRANCE, Fr/kg.



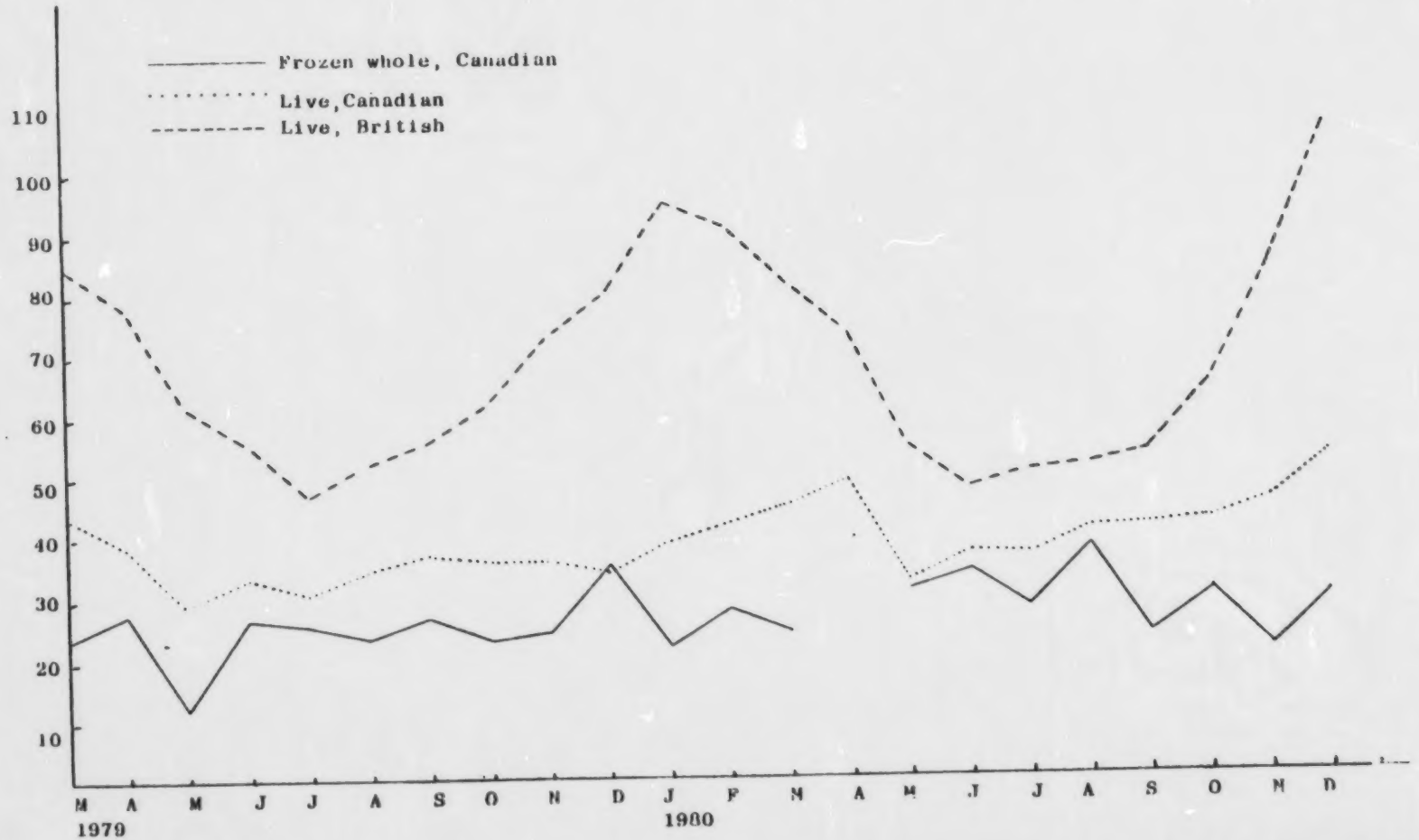
Source: C.A.A.M.

FIGURE 3:
FRANCE: MONTHLY IMPORTS OF LOBSTER BY PRODUCT AND COUNTRY OF ORIGIN, Product Weight



Source: D.N.S.C.E.

FIGURE 4:
FRANCE: AVERAGE VALUES OF LOBSTER IMPORTS BY PRODUCT AND COUNTRY OF ORIGIN, '000 Francs/tonne



Source: D.N.S.C.E.

FRANCE

TABLE 2: LANDINGS AND VALUES OF SHELLFISH

	1975			1976			1977			1978			1979		
	000 tonnes	million F	000 F/t*	000 tonnes	million F	000 F/t*	000 tonnes	million F	000 F/t*	000 tonnes	million F	000 F/t*	000 tonnes	million F	000 F/T*
Lobster	0.4	15.6	41.3	0.3	15.4	48.2	0.4	18.4	52.8	0.4	20.7	57.4	0.4	23.7	62.9
Crawfish	0.6	27.9	46.5	0.5	25.7	51.4	0.6	32.0	53.3	0.5	27.2	54.4	0.6	35.3	58.8
Spider Crab (M.squinado)	5.2	20.8	4.0	5.0	22.0	4.4	6.5	30.1	4.6	5.1	25.4	5.0	4.7	30.4	6.4
Crab (C.pagurus)	9.2	40.8	4.4	10.4	51.1	4.9	11.3	55.7	4.9	11.0	57.8	5.3	9.9	63.7	6.4
Shrimps	2.2	31.1	14.1	2.0	35.7	17.9	1.8	38.5	21.4	1.8	40.6	22.6	2.3	54.4	23.7
Nephrops	12.2	123.0	10.1	11.3	138.8	12.3	10.0	143.4	14.3	8.9	148.0	16.5	9.4	173.1	18.3
Scallops	20.9	78.2	3.8	21.1	88.4	4.2	17.9	95.9	5.4	16.9	106.2	6.3	16.0	111.8	7.0
Cockles	3.6	3.8	1.1	3.1	4.2	1.4	4.2	5.4	1.3	7.4	9.6	1.3	7.0	14.4	2.1
Quahog	5.2	16.4	3.2	4.4	19.0	4.3	4.3	19.7	4.6	4.2	19.3	4.6	3.9	19.5	5.1
Squid	4.4	23.4	5.3	4.8	33.2	6.9	5.6	44.9	8.0	3.6	37.3	10.4	2.7	36.5	13.5
Octopus	1.6	2.8	1.7	1.3	2.8	2.1	1.2	3.1	2.6	1.0	3.5	3.4	0.9	4.0	4.3
Cuttlefish	6.9	21.1	3.1	4.1	19.1	4.6	9.7	34.1	3.5	5.0	19.8	3.9	2.4	16.5	6.9
Mussels**	54.9	100.8	1.8	44.3	97.7	2.2	50.6	117.1	2.3	50.4	128.0	2.5	61.9	159.0	2.6
Oysters**	94.0	617.2	6.6	90.7	593.2	6.5	94.0	563.1	6.0	91.1	594.1	6.5	105.9	591.7	5.6
Other	6.3	20.3	3.2	7.2	20.7	2.9	10.0	31.1	3.1	9.4	38.7	4.1	9.2	44.9	4.9
TOTAL	227.6	1143.2	5.0	210.5	1167.0	5.5	228.1	1232.5	5.4	216.7	1276.2	5.9	237.2	1378.9	5.8

* Calculated before rounding

** Estimate

Source: Comité Central des Pêches Maritimes

FRANCE

TABLE 3: IMPORTS OF SHELLFISH (PRODUCT WEIGHT)

	1977			1978			1979			1980		
	tonnes	million F	000 F/t	tonnes	million F	000 F/t	tonnes	million F	000 F/t	tonnes	million F	000 F/t
Crawfish	2,200	107.8	49.0	2,380	123.9	52.1	2,194	131.6	60.0	2,361	147.6	62.5
Lobster	813	34.9	42.9	998	45.3	45.4	1,811	71.0	39.2	2,116	87.5	41.3
Crab	1,330	9.6	7.2	2,556	19.9	7.8	3,275	27.8	8.5	3,960	35.9	9.1
Crayfish	1,353	20.0	14.8	2,007	28.8	14.4	2,075	34.2	16.5	1,948	32.6	16.7
Shrimps & Prawns	17,336	283.3	16.3	17,890	336.0	18.8	21,741	433.9	20.0	24,665	482.1	19.5
Oysters	1,071	9.8	9.2	2,213	15.7	7.1	4,057	28.6	7.0	1,491	9.6	6.4
Mussels	34,498	44.4	1.3	38,572	56.0	1.5	23,606	53.5	2.3	27,571	60.7	2.2
Snails	7,321	92.3	12.6	9,238	137.5	14.9	7,057	100.9	14.3	7,449	110.1	14.8
Squid	3,249	23.4	7.2	4,802	38.8	8.1	6,805	57.8	8.5	10,337	81.3	7.9
Cuttlefish	3,076	22.9	7.4	3,861	27.9	7.2	3,802	35.8	9.4	4,780	47.8	10.0
Other	12,664	129.4	10.2	14,271	203.6	14.3	12,814	189.6	14.8	10,034	232.9	23.2
Preparations	15,516	296.3	19.1	15,210	335.3	22.0	19,372	421.1	21.7	20,478	453.2	22.1
TOTAL	100,427	1074.1	10.7	113,998	1368.7	12.0	108,609	1585.8	14.6	117,190	1781.3	15.2

Source: D.N.S.C.E.

RANCE

TABLE 4 : QUARTERLY HOUSEHOLD PURCHASES OF FROZEN FISH AND SHELLFISH

	1978				1979			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
t Fish								
rozen fillets	3,260	2,970	3,440	3,230	3,840	3,510	3,420	3,370
Prepared fillets	5,500	5,070	5,230	4,330	5,400	4,920	5,660	4,630
hole fish	1,160	1,610	1,380	1,370	1,570	2,050	1,550	1,880
repared dishes	1,280	1,030	1,040	1,210	1,380	1,460	1,380	1,550
Total	11,200	10,680	11,090	10,140	12,190	11,940	12,010	11,430
ellfish	1,070	1,010	1,120	2,690	1,460	1,410	1,290	2,920
TAL	12,270	11,690	12,210	12,830	13,650	13,350	13,300	14,530

TABLE 5 : PROFILE OF BUYERS OF FROZEN SHELLFISH

		Index of Consumption
Age	Less than 35 years	91
	35 - 49	140
	50 - 64	104
	65 and over	62
Socio-Economic Group	Leisured	128
	Upper Middle	125
	Lower Middle	90
	Modest	50
Habitation	Less than 2,000 inhabitants	102
	2,000 - 49,999	120
	50,000 and more	100
	Paris region	73
Number of Persons per Household	Single women	33
	2 people	84
	3 people	104
	4 people and over	148
Presence of Children	With children	133
	Without children	96

Source: S.E.C.O.D.I.P.

SOME IMPORTERS OF LOBSTER IN FRANCE

INTERPRAL S.A.,
38 rue du Louvre,
75001 Paris. Telex: 220495

SOGEVIANDES,
Division Poissons et Crustaces,
11 Av. de Normandie,
94150 Rungis.

PRIMEL,
2 Av. de Flandre,
94587 Rungis. Telex: 204914

1000Z,
47 Av. de Sete,
94539 Rungis. Telex: 202586

La Homarderie de Paris,
35 Allee de Site,
94539 Rungis. Telex: 270741

Bretagne Export,
91 Av. de la Perriere,
Lorient. Telex: 950038

The Belgian Market for Lobster and Shellfish

INTRODUCTION

The Belgian people see themselves as a nation of gourmets, but lacking an internationaly-known cuisine. They most certainly have a liking for seafoods, which cannot be satisfied by domestic production. A total of just 2.3 thousand tonnes of shellfish were landed in 1979, some 15 per cent less than in 1979. Over the same period, imports of shellfish[1/] rose by 8 per cent, to 38 thousand tonnes. Though shrimps and mussels accounted for most of these imports, large quantities of lobster are purchased from abroad, and lobster consumption per capita is higher than in any other European country. Consumption has dropped somewhat after a rise in VAT on luxury products from 6 per cent to 25 per cent in July 1980, but this is likely to be temporary.

THE MARKET FOR LOBSTER

a) Production

Domestic production of European lobster is virtually nil, the Belgian coastline not providing a suitable habitat. Thus almost all the lobster consumed in Belgium has to be imported.

b) Imports

Belgium is unique among European countries in that not only does she import lobster from major producers such as Great Britain and Canada, but she also purchases considerable quantities each year from the Netherlands - a traditional trading partner. In fact, in 1979 Belgium imported more from the Netherlands than she did from the U.K. This underlines the price differential between U.K. and Canadian lobster, since lobster imported into the Netherlands from Canada and then exported to Belgium is still cheaper than direct imports from the U.K.

Imports of live lobster from Canada tripled in the period 1976 to 1979, to almost 400 tonnes, the low price of the Canadian product leading /

1/ Excluding prepared or preserved shellfish

leading to a move away from British lobster. Yet is is true to say that the low price has helped increase the total market, for imports from Britain have not fallen by the same amounts as Canadian imports have risen. Total imports of live lobster rose to just short of 1 thousand tonnes in 1979, after fluctuating around the 800 tonne mark for 3 years.

The market for frozen lobster has been growing rapidly too in recent years, with imports reaching 230 tonnes in 1979. The opinion shared by many merchants in Belgium is that imports of frozen lobster will continue to rise, though at a lower rate, as merchants not presently handling frozen lobster may feel obliged to do so in order to keep up with their competitors. Given too the lower price of frozen lobster, it is likely that the market for this product will expand.

Figure 1 shows monthly imports of lobster by product and country of origin, and, as with France, supplies of fresh lobster from Canada reach a peak during December. In fact, of the 390 tonnes of live lobster imported from Canada in 1979, almost one-quarter came in during the last month of the year, for consumption during the festive period. It is interesting to note, however, that there is no similar peak during November 1979, of imports of frozen lobster for storing till December, as is the case in France. Yet imports of frozen lobster from Canada during the last quarter of 1979 were high at around 30 tonnes per month, suggesting some imported for storing and some for immediate consumption.

Imports of fresh lobster from the U.K. show a similar but less stable pattern of seasonality to that of the French market, given that only small quantities are purchased from the U.K. (In no month during 1979 did Belgium import more than 25 tonnes of fresh lobster from the U.K.) Supplies from the U.K. are low at the beginning of the year and pick up as landings improve. They remain at this higher level until November, by which time landings /

landings are lower and the price is higher. Yet demand picks up again during December. This is in complete contrast with the situation in the French market, and it betrays a willingness for the Belgian consumer to pay high prices for lobster during the festive period. It is unlikely that the rise in demand for the U.K. product is caused by any inability of Canadian and Dutch merchants to meet total demand, for the price of live lobster from Canada was actually lower in December 1979 than it was in the previous month. If Canadian supplies were unable to satisfy the demand in Belgium then one would expect the price to rise.

Supplies from the Netherlands appear to fluctuate. One would expect that Belgian merchants would order directly from Canada at a lower price than they pay the Dutch suppliers, but the fact that imports from the Netherlands were greater in 1979 than in 1978 is evidence of the strength of trading agreements between the two countries. Dutch merchants too have better storage facilities, with the town of Yerseke a prime example, the home of several fish and shellfish merchants. Yet the desire on the part of Belgian merchants to increase their earnings by importing directly from Canada should prove to be stronger. Only limited storage facilities are necessary, if orders can be placed several times per week, and figures for the first 10 months of 1980 suggest that Belgian merchants are tending to bypass the Dutch intermediaries. In the period January to October 1980 Belgium imported just 200 tonnes of live lobster from the Netherlands, against 360 tonnes in the same period in 1979. (Source: Dutch Trade Statistics.)

The only tariff barrier to trade is the E.E.C. levy on imports from third countries - presently 9.8 per cent for live lobster.

There /

There are no other important barriers to trade. Some, such as cash-flow problems engendered by the exporting function and mortality rates (which might be falsified) can be identified. However, there is no domestic lobster industry to protect, and having imported lobster from the U.K. for many years, the merchants are conversant with both imperial and metric weights. They are used too to being invoiced in the currency of the country of origin rather than in Belgian francs.

The incidence of gaffkaemia in some North American lobster does not constitute a barrier to trade, for Belgian merchants are willing to import it in the knowledge that by taking simple precautions losses can be left to a minimum.

One barrier to trade relevant to Canadian firms is the price gap between U.K. and Canadian lobster. This is discussed more fully in the following section.

c) Prices

The average value of imports of live lobster from Canada in 1979 was 275 thousand Francs/tonne, almost half the average price paid for live lobster from the U.K. (One reason why U.K. lobster has a high average value for the year is that much of it comes in during the last quarter of the year when the price is higher due to poorer landings.) Imports from the Netherlands (mainly Dutch re-exports of Canadian lobster) were still lower in value than lobster imported directly into Belgium from the U.K. The cheapest lobster came from the United States, averaging just 265 thousand Francs/tonne.

Figure /

Figure 2 gives the average monthly import prices for live lobster from Canada, the U.K. and the Netherlands for the period December 1978 to May 1980, together with that of frozen whole lobster from Canada. The seasonal nature of the price of U.K. lobster is immediately apparent, the peak being at the end of the year when U.K. landings and stocks are at their lowest. However, relatively high demand for U.K. lobster in that period helped raise the price. The average cost per tonne of lobster from the U.K. then fell throughout the first 5 months of 1980 as landings improved. Relatively low consumption levels in the period reduces demand so causing the price to fall too.

Over 700 thousand Belgian francs per tonne was paid for live lobster from the U.K. in December 1979, against less than 300 thousand francs for live Canadian lobster in the same month. In view of this price gap it is remarkable that any lobster is imported from the U.K. at all, but there is no denying the traditional supply/demand patterns inherent in the market.

Live Canadian lobster fluctuates little in price - the limits in the period covered in Figure 1 ranging from 230 thousand francs/tonne in May 1979 to 375 thousand francs/tonne in April 1980. The large quantities held in Canadian pounds permit year-round supply. The price of Canadian lobster has also been restrained somewhat due to the fact that offer, rather than demand, is presently the dominant factor in the pricing mechanism. However, some drop in Canadian supplies at the start of the year, when landings are low, does cause the price to rise.

Lobster imported from the Netherlands appears to fluctuate in price, the peak coming in December when demand is high. However, one reason for the erratic price movements in the early months of 1980 is the fact that Dutch exports comprise a mixture of British, Canadian /

Canadian and American lobster, which will have been imported into the Netherlands at varying price levels.

The consultants visited Belgium at the end of November 1980 while carrying out their research for this study. At that time, a merchant/wholesaler was offering live lobster at 650 BF/kg. (+ 25% VAT). This lobster would normally be purchased by hotels and restaurants in Brussels, but some would be sold to other wholesalers throughout Belgium.

The increase in VAT on luxury goods to 25% in July 1980 has led to a drop in lobster consumption. One merchant noted a 40% drop in turnover resulting from this. However, the affects of the economic recession would have compounded this increase in VAT to reduce consumption. Doubtless this situation will be temporary, especially if lobster remains competitive in price at the outset.

d) Channels of Distribution and Consumption

Lobster is imported by merchants and wholesalers in Belgium from three main sources: North America, Britain and the Netherlands. Firms importing lobster tend to be in the small-medium range, and in the main are situated in Belgium's three major ports - Oostende, Nieuwpoort and Zeebrugge, but the old port in Brussels provides a convenient setting too, for lobster consumption is highest in this town. (There are about a dozen sea-food restaurants around the Quai aux Briques, where in earlier times fish auctions were held. An average restaurant in this area which is centrally situated would require about 200 lobsters a day, in the size range 1-1½ lb. to ensure a uniform price.)

As mentioned, a likely mid-term change in the market will be the tendency among Belgian merchants to import lobster from source rather than via Dutch merchants to improve their profit levels. However, the strength of the trading connections between Belgian and Dutch merchants cannot be ignored, and this change is likely to be gradual

Lobster is sold by these merchants to hotels and restaurants in their vicinity, and to wholesalers in other ports of the country. Some are sold direct to the public, but only during the festive period when demand exists for lobster for home consumption.

Most of the lobster consumed in Belgium is imported live. An increase of consumption of frozen lobster should be a feature of the market in the short-medium term. It is cheaper in price, easier to store, and is usually indistinguishable, once cooked, from lobster imported live.

e) Conclusions and Market Development Strategy

Among the target markets in this Report, per capita consumption of lobster is highest in Belgium, the supply of cheaper lobster from Canada (as well as from the Netherlands) leading to a rapid growth in the size of the market.

Indications are that lobster from Canada has quickly established itself in the market place, and in response to this demand, especially during the festive season, will play a more important role in the pricing mechanism.

The consultants recommend that, to ensure there is no fall-off in consumption, the price of the product at the outlet is kept low. Only by this means will lobster remain within the budget of the new range of consumers. Secondly, a low price will discourage both competition and speculation, which should reduce market distortions.

On top of this, by keeping the price of their lobster as low as possible, Canadian exporters will increase the propensity of Belgian merchants to turn to them, rather than to U.K. suppliers, for their lobster in the summer months. Only slowly will this traditional feature of the market disappear, and Belgian merchants are still willing /

willing to import expensive lobster from the U.K. in preference to the Canadian product when the price gap between the two narrows. It would be to the benefit of Canadian merchants if the packaging of their lobster could be improved in the summer months, when mortality rates increase due to the hotter temperature. However, the Canadian industry enjoys a considerable advantage arising from its ability to supply large quantities of similar-sized lobster, and this should be emphasised.

The setting up of brand offices of Canadian firms in Belgium would provide a very real incentive to trade, by facilitating ordering and invoicing. Also, a joint promotional strategy agreed between Canadian and Belgian merchants especially for frozen lobster, would be beneficial in increasing consumption. Such promotional activity is outwith the means of the smaller merchants who tend to handle lobster.

THE MARKET FOR OTHER SHELLFISH

Domestic production of shellfish is negligible, averaging just 2.7 thousand tonnes annually between 1977 and 1980. Shrimps is the major species, accounting for over one-third of landings in 1979 and 1980, as can be seen in Table 3.

Given these limited landings, imports of shellfish are substantial and rose steadily between 1976 and 1979, as Table 3 shows. The major species imported by the Belgians is mussels, but the amounts of shrimps, oysters, and shellfish preparations (as well as lobster) purchased from abroad grew during the period covered by Table 3.

Not only is inter-European trade important in this case, the strong (though weakening) trading links between Belgium and the Netherlands must once again be emphasised. Dutch exporters supplied one-third of Belgian imports of uncooked shrimps in 1979. Other major sources were the Faroe Isles and France, with lesser quantities purchased from Denmark and the G.F.R. Indonesia, India and Bangladesh together sent almost 1,000 tonnes.

Considerable quantities of shrimp preparations are imported too - and these are summarised below by country of origin:

Belgian Imports of Shrimp Preparations (Product Weight)

	1977		1979	
	Tonnes	Million F	Tonnes	Million F
Netherlands	2,479	570.7	2,236	479.2
Malaysia	1,160	104.9	1,850	161.5
U.K.	173	19.9	143	12.6
Indonesia	166	17.6	89	10.0
G.F.R.	136	45.0	514	147.8
Taiwan	45	7.0	203	37.4
Canada	-	-	88	13.0
Other	272	35.3	393	59.6
Total	4,431	800.4	5,516	921.1

- Not Available

Source: Conseil Professionnel de la Peche

The above figures show not only growing demand for the product but a move away from Dutch re-exports to imports from country of production, with shrimps from Malaysia, and, to a lesser extent, Taiwan, growing in importance in the Belgian market.

Other than shrimps, crab is the only other product amongst the shellfish preparations imported in quantity into Belgium. Some 1.7 thousand tonnes were imported in 1979, almost half as much again as in 1977. In this market Canada and the U.S.A. are the major sources, their combined exports accounting for half of the total in 1979. Other sources include the Netherlands, the U.S.S.R. and Thailand. None of these countries, however, has been able to increase substantially their sales of crab preparations in Belgium.

Merchants visited by the Consultants saw little change occurring in the market for imports of shellfish and shellfish preparations. Thus one can expect the trends outlined above to continue, i.e. slowly rising imports of the species covered in Table 3, as well as of prepared or preserved shellfish. This will be allied to a move away from Dutch re-exports to imports from the producing country.

The total availability of shellfish for human consumption rose by 10 per cent between 1974 and 1978, as the following text-table shows:-

Quantities of Shellfish Available for Human Consumption
(Tonnes, Product Weight)

	1974	1975	1976	1977	1978
Crawfish	526	599	595	662	713
Lobster	624	727	812	804	924
Crab	372	425	352	400	447
Shrimp	9,611	10,264	13,854	12,272	12,037
Oysters	1,312	1,056	1,160	1,325	2,193
Mussels	22,649	20,740	20,123	23,979	22,019
Other	2,253	2,297	2,779	2,400	2,778
Total	37,347	36,108	39,675	41,842	41,111

Source: Institut Economique Agricole, Cahier No. 215/RR-176

Some fluctuation is noticeable, though a general upward trend is apparent.

Only limited quantities of shellfish are processed by Belgian firms - between 2% and 3% of the quantities available for human consumption.

Shellfish purchases by households account for a reasonable percentage of total fish purchases. The following table gives a breakdown, in percentage terms, of the importance of shellfish purchases as part of total household purchases.

Household Purchases of Fish and Shellfish (1977)

	By Weight	By Value
Fresh		
Freshwater fish	3.1	7.1
Round fish	19.0	24.4
Flat fish	7.2	10.7
Pelagic fish	2.6	1.8
Shellfish	15.2	18.8
Cured and Preserved	52.9	37.2
Total	100.0	100.0

Source: Institut Economique Agricole, Courrier No. 57

Consumption of frozen shellfish in Belgium is low. This is due to a low level of frozen food consumption generally, of around 6 kg./caput/annum. Reasons for this include good availability of fresh vegetables, with many Belgians growing their own. Thus frozen foods were never popular or necessary. The fact that advertising on Belgian television is prohibited stifled a possible means of increasing consumption of frozen food.

Yet per capita consumption of frozen foods is expected to double within 10 years, reflecting increasing numbers of housewives going out to work. Other relevant factors in a U.K. Department of Trade /

Trade Report include the demand for natural products; the growing popularity of prepared dishes; and the desire to eat a greater variety of foods. Thus one feature of the Belgian shellfish market in the next decade should be increased consumption of frozen shellfish and of prepared dishes based on shellfish.

BELGIUM

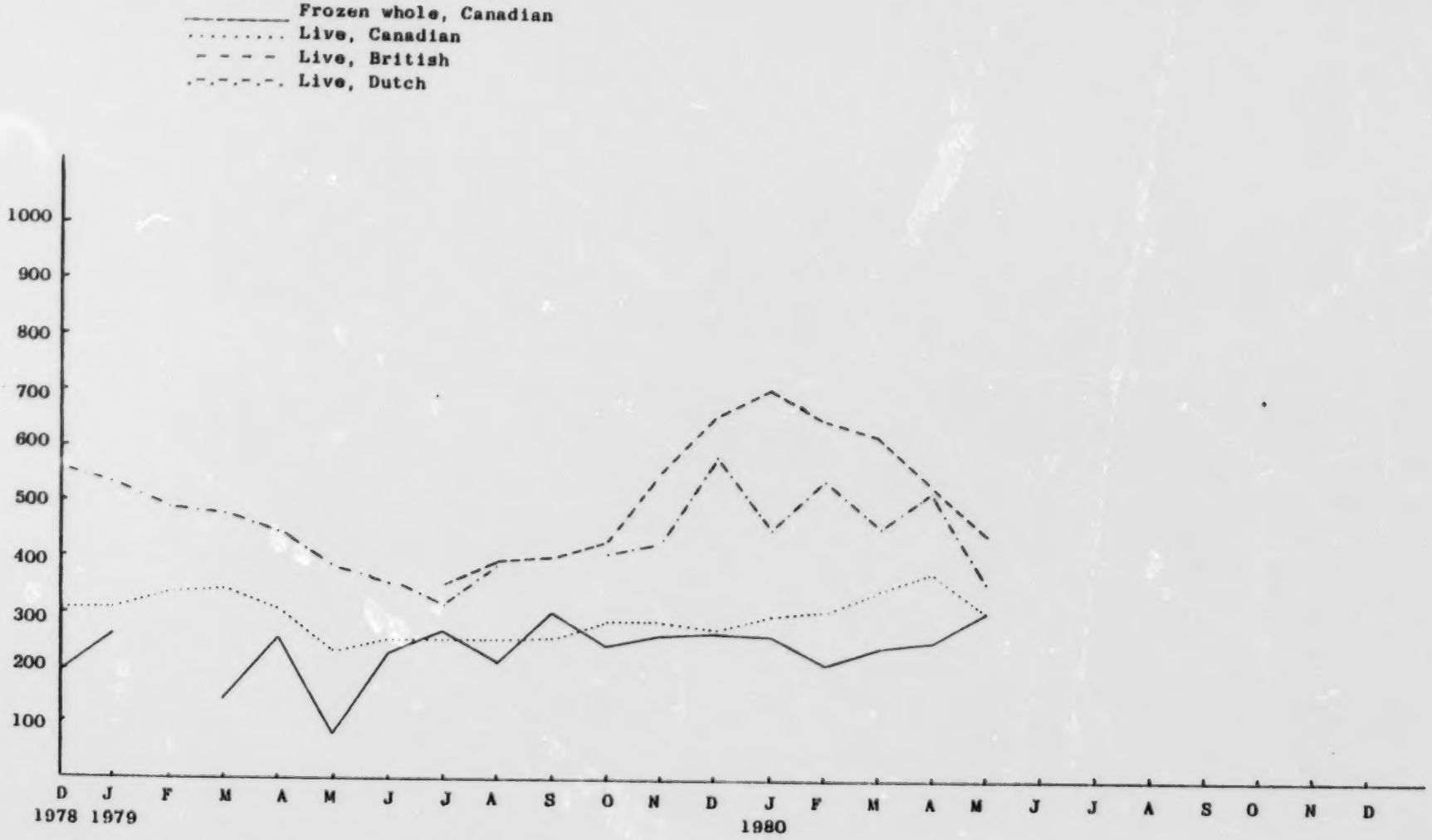
TABLE 1: IMPORTS OF LOBSTER BY COUNTRY OF ORIGIN, PRODUCT WEIGHT

	1976			1977			1978			1979		
	tonnes	million F	000 F/t	tonnes	million F	000 F/t	tonnes	million F	000 F/t	tonnes	million F	000 F/t
LIVE												
United Kingdom	235	91.4	389	246	101.7	413	211	94.9	450	190	91.8	483
Eire	90	29.0	322	73	23.3	319	-	-	*	39	15.3	392
Netherlands	193	82.3	426	172	77.8	452	149	72.4	486	255	105.4	413
United States	99	30.1	304	116	36.6	316	51	15.6	306	49	13.0	265
Canada	130	39.4	303	155	46.0	297	308	84.4	274	391	107.5	275
Other	52	22.7	437	28	14.0	500	80	33.3	416	28	15.7	561
Total	799	294.9	369	790	299.4	379	799	300.6	376	952	348.7	366
FROZEN												
Canada	-	-	*	3	0.5	*	92	13.4	146	206	64.3	215
Other	-	-	*	10	2.8	280	23	5.2	226	21	5.8	276
Total	12	2.6	217	13	3.3	254	115	18.6	162	227	50.1	221
TOTAL	811	297.5	367	803	302.7	377	914	319.2	349	1,179	398.8	338

- Nil or negligible
* Not Applicable

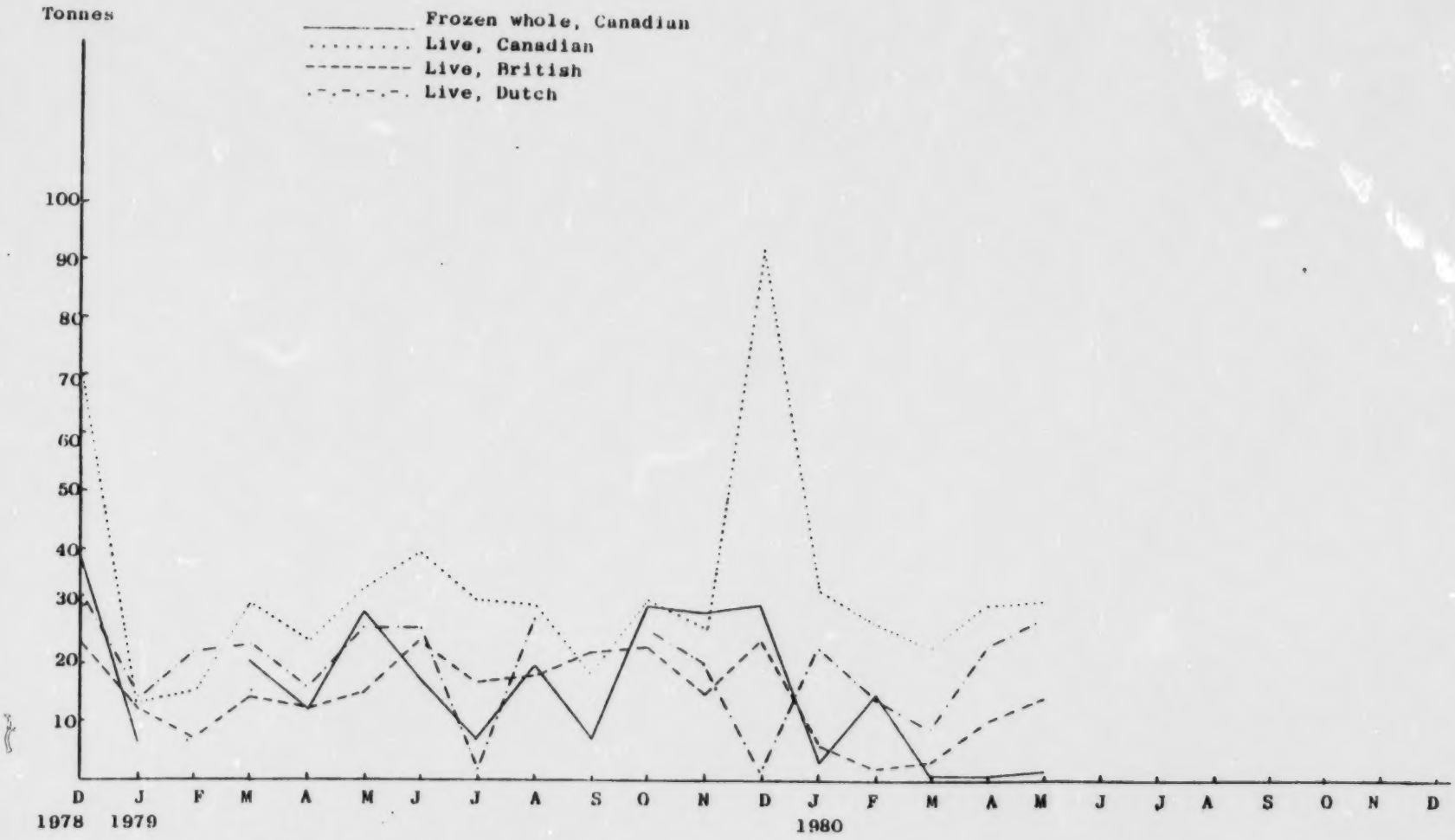
Source: Conseil Professionnel de la Pêche

FIGURE 2
BELGIUM: AVERAGE VALUES OF LOBSTER IMPORTS BY PRODUCT AND COUNTRY OF ORIGIN, 000 F/t



Source: Institut National de la Statistique

FIGURE 1
BELGIUM: IMPORTS OF LOBSTER BY PRODUCT AND COUNTRY OF



Source: Institut National de la Statistique

BELGIUM

TABLE 2: LANDINGS AND VALUES OF SHELLFISH

	1977			1978			1979			1980		
	tonnes	million BF	000 BF/t	tonnes	million BF	000 BF/t	tonnes	million BF	000 BF/t	tonnes	million BF	000 BF/t
Shrimps	1,607	82.5	51	614	56.1	91	909	63.0	69	930	75.0	81
Nephrops	430	39.3	91	568	59.2	104	300	39.7	132	570	58.6	103
Other	1,596	25.5	16	1,333	32.2	24	1,082	28.6	26	945	23.9	25
TOTAL	3,633	147.3	41	2,515	147.5	59	2,291	131.3	57	2,445	157.5	64

Source: Dienst voor de Zeevisserij

BELGIUM

TABLE 3: IMPORTS OF SHELLFISH (PRODUCT WEIGHT)

	1976			1977			1978			1979		
	tonnes	million BF	000 BF/t	tonnes	million BF	000 BF/t	tonnes	million BF	000 BF/t	tonnes	million BF	000 BF/t
Lobster	821	300.8	366	808	304.3	377	930	325.0	349	1,196	403.1	337
Shrimps	2,645	380.7	144	2,733	413.6	151	3,081	397.1	129	3,830	589.5	154
Oysters	1,199	163.5	136	1,348	202.9	151	2,222	207.5	93	2,925	251.1	86
Mussels	20,186	368.1	18	23,994	369.0	15	22,021	351.0	16	21,795	501.6	23
Other	1,886	251.3	133	2,008	276.1	138	2,350	357.0	152	2,766	392.5	142
Preparations	6,551	1129.5	172	7,901	1443.1	183	8,135	1595.4	196	9,414	1915.1	203
TOTAL	33,288	2593.9	78	38,792	3009.0	78	38,739	3233.0	83	41,926	4052.9	97

Source: Institut National de Statistique

SOME IMPORTERS OF LOBSTER IN BELGIUM

Halewyck & Co.,
Schietbaanstraat 86,
8400 Oostende. Telex: 81083

P. Devriendt,
Sas,
8370 Blankenberge.

MAXI-FOOD-"LA ZELANDAISE",
Quai aux Briques,
1000 Bruxelles.

DRAKKAR,
Koninginnelaan 11,
8300 Knokke. Telex: 81300

DAVID,
Vismijn 164,
8380 Zeebrugge.

MORUBEL,
H.Baelskaai 38,
84000 Ostende. Telex: 81391

BELIMEXCO,
rue Legeure 1,
1060 Bruxelles.

A Vermeersch,
Quai aux Briques 9,
1000 Bruxelles.

Lobster Farm,
131 rue Heyvaert,
1070 Bruxelles,

Vishandel Roland
Fr. Bierenslaan 2A,
Borsbeek,
Antwerp.

The Dutch Market for Lobster and Other Shellfish

INTRODUCTION

The Dutch market for shellfish is dominated by mussels, but this has been instrumental in the rapid increase in Dutch imports of lobster, for merchants have been able to add this to their range of products. Ready outlets have been available especially among Dutch trading partners, and there are signs that lobster consumption is increasing in the Netherlands too, as 1980 trade statistics show.

THE DUTCH MARKET FOR LOBSTER

a) Production

As mentioned in the introduction, landings of lobster in Dutch ports are minimal - just 16 tonnes in 1979. This is due not so much to a lack of effort on the part of Dutch fishermen or low demand from merchants, but because the coastline of the Netherlands shelters only limited quantities of lobster. The extent of potential landings is not known, but the preferred rocky habitat of the lobster is not a feature of the Dutch coastline.

b) Trade

In the period 1977 to 1979, Dutch imports of live lobster rose by 40 per cent to almost 600 tonnes, yet over the same three years exports more than doubled to 530 tonnes in 1979. Such figures are indicative of the Dutch propensity to trade, for increased imports, especially from Canada, would appear to be a result of increased demand for lobster in Belgium. In fact, it can also be deduced from the figures in Tables 1 and 2 that the internal market for lobster actually contracted in these 3 years. Given negligible domestic production, total internal consumption of live lobster can be calculated quite simply by subtracting exports from imports. In 1977, net imports were 170 tonnes, but by 1979 this had fallen to just 50 tonnes. Thus, any future expansion in Dutch imports of live lobster /

lobster may well depend more on demand by Belgian or other foreign wholesalers than on internal demand, which Dutch merchants appear to have neglected. Figures for the first 10 months of 1980 indicate, however, that the rapid expansion of Belgian imports from the Netherlands has come to a halt.

Up to October 1980, Belgian imports of live lobster from the Netherlands amounted to just 200 tonnes, against a 1979 ten-month figure of 360 tonnes. Belgium also imported less lobster from Canada in the first 9 months of 1980 than in the same period of 1979.

Some expansion in domestic consumption of lobster is also apparent from the trade statistics for the first 10 months of 1980, for net imports amounted to 265 tonnes, against a corresponding 1979 figure of just 40 tonnes.

As with other target markets in this report, Dutch imports of live Canadian lobster are substantially less expensive than U.K. lobster, and actually became cheaper between 1976 and 1979. In 1976 an average of 20.5 thousand Guilders was paid for imports of live lobster from Canada, but in 1979 this fell to just 17.5 thousand Guilders/tonne. Such a fall suggests that offer, rather than demand, has been the main reason for the rise in imports from Canada.

Canadian expansion in the Dutch market has not gone unnoticed by United States merchants, who exported their lobster to the Netherlands in 1979 at an average value below that of Canadian exports. The Americans appear to be benefitting from the development work carried out by the Canadians, and U.K. exporters have become aware too of the new potential of the Dutch market, for U.K. sales to the Netherlands picked up in 1980 when the price was cut.

In /

In carrying out their research for this report, the Consultants spoke to a merchant in the Netherlands who, on his own estimate, accounted for some 80 per cent of total Dutch lobster imports. His pounds, which he reckoned were the most modern in Europe, had a capacity of 70 tonnes, with separate compartments for various grades. Sea water was readily available as the tanks were on the coast.

Figure 1 gives monthly imports of live and frozen lobster by country of origin. Several factors are immediately apparent from this graph. To begin with, there is virtually no demand in the Netherlands for frozen lobster outwith the festive period. Secondly, imports of live lobster from Canada are at their highest levels in December and January. In the month of December large quantities are brought into the country for the festive season and in the following month imports are necessary to build up stocks again. (It should not be forgotten that Dutch merchants are catering for several markets.) Clearly such stock-building could not be met by in total from imports from Britain.

In 1979 imports of live lobster fell steadily from June to November, but there was more fluctuation in 1980. This is evidence of the present turmoil in the market. Supplies from the U.K. exhibited a more regular pattern of seasonality, and this is likely to remain relatively unchanged in the near future, though there may be some movement away from British in favour of cheaper Canadian lobster.

Imports from the U.K. are at their lowest in the first quarter of the year. There is some evidence of re-stocking in January despite the high price of the U.K. product. U.K. exports then rise, when her landings improve, allowing the price to fall. September in both 1979 and 1980 was the peak month for live imports from the U.K., /

U.K., when the price was at its lowest, and when the price gap between U.K. and Canadian lobster was narrowest. In the following month, when U.K. supplies were less abundant, a price rise ensued. Demand falls towards the end of the year, between the summer and festive period consumption peaks.

The current market situation can only be described as uncertain in the short to medium term. The following are the most important points made so far in this report: the low price of Canadian lobster has helped increased demand for lobster in the Netherlands, but this is allied to demand in countries with close trading connections with the Dutch. On top of this, Canadian effort has encouraged the United States to enter the market, and has even allowed an increase in imports of more-expensive lobster from the U.K. There is every possibility that Dutch exports of lobster will decline as Belgian merchants order directly from Canada to increase their earnings. Thus if Canadian exports of lobster to the Netherlands are to rise further, there will have to be either increased domestic consumption and/or fewer imports from the U.K.

It is likely that imports from the U.K. will not rise significantly in the years ahead, the main obstacle being actual U.K. production. On top of this Dutch importers prefer the lower price of the Canadian lobster and the fact that it is graded better.

The fact remains, however, that many Dutch merchants are willing to import U.K. lobster when it becomes available and cheaper, and when the price differential between U.K. and Canadian lobster narrows. This is discussed more fully in the following section of the report.

The /

The following text-table shows this to be the case, by comparing imports in the first 10 months of 1980 with these of 1979.

Dutch Imports of Live Lobster, January to October

	1979		1980	
	tonnes	000 gld/t	tonnes	000 gld/t
U.K.	111	28.8	116	27.3
U.S.A.	50	16.7	55	17.8
Canada	276	17.6	331	17.7
Other	17	37.1	24	34.8
Total	454	21.0	526	20.6

Source: Centraal Bureau voor de Statistiek

Although the rise in imports from the U.K. is slight, it is significant that the downward trend apparent in Table 1 has been halted. (Figures from the U.K. Customs and Excise show that total U.K. exports of live lobster to the Netherlands in 1980 were less than in 1979. Reasons for this include possible low demand from merchants who normally import from the Netherlands; increased supplies of cheaper Canadian lobster available; or improved demand from other countries which import from the U.K., such as France.) The fact remains, however, that if U.K. prices fall, there is a tendency among Dutch merchants to import from the U.K. rather than Canada. This state of affairs should remain relatively unchanged in the near future.

There are no significant barriers to trade. The E.E.C. levy of 9.8 per cent is imposed on live imports from third countries, but Canadian lobster is still imported significantly cheaper than U.K. lobster. (At the time of the Consultants' visit to the market in late November 1980, Canadian lobster was being offered at $4.75/lb. CIF,

CIF, while U.K. merchants were asking the equivalent of $13/lb. FOB. This indicates the vast difference in price between U.K. and Canadian lobster.)

The rate of V.A.T. on lobster in the Netherlands is 18 per cent. Although this is higher than in France, for example, the low price of the Canadian lobster at the outset means that it should still be reasonably priced in the restaurant.

There is no fear among the Dutch merchants of the disease Gaffkaemia. Storage is possible providing reasonable precautions are taken up to keep the water cold enough and to remove dead lobster.

As with other target markets, problems associated with the export of lobster can be assumed to be barriers to trade. Cash-flow problems; falsified mortality rates; and higher mortality rates in summer are examples of what might induce merchants not to export.

Crawfish is not a substitute product for lobster in the Netherlands as it is in France, so the price of crawfish does not constitute a barrier to trade.

c) Prices

It has been made clear already that the reason for the vast increase in imports from Canada has been due to the fact that lobster is now within the price range of a new group of consumers, not only in the Netherlands but in countries such as Belgium which is a close trading partner of the Dutch. Even if Canadian lobster is imported into Belgium via a Dutch merchant whose commission has to be paid, it is /

is still reasonably enough priced to appeal to consumers for whom lobster from the U.K. is too expensive.

Figure 2 gives the average values on a monthly basis of lobster imports by product and country of origin. The seasonal fluctuations in the price of live lobster from the U.K. are immediately evident, and are governed mainly by the supply function. Only when landings improve during spring does the price fall. In the summer months the price is steady, for two reasons. On the one hand, if it fell much further it would be uneconomic for the U.K. merchants to export. On the other, some measure of demand on the part of Dutch merchants gives a firmer edge to the price. Dutch merchants are quite willing to take U.K. lobster when it is cheaper (though it is still somewhat more expensive than the Canadian product). Reasons for this are traditional and in any case some merchants fear higher mortality rates of Canadian lobster in hotter weather. However, imports from Canada in the summer of 1980 were considerably higher than in the summer of 1979, reflecting not only an increase in total consumption, but also a move on the part of Dutch merchants to import from Canada all the year round, given its lower price and better level of grading.

The price of the U.K. lobster rises again in the last quarter of the year as landings drop.

Supply is probably the major factor too in the price of the Canadian lobster. Evidence of this is the fact that live and frozen lobster both fell in price during December 1979 when imports rose steeply. It is likely, however, that, as happened in France, the demand function will grow in importance, reflecting an established larger market for lobster. This would both lead to and permit an increase in the price paid for Canadian lobster, but if the price were to rise considerably, three things would happen: firstly, lobster /

lobster would be priced out of the range of the new consumer; secondly, there would be a tendency for Dutch merchants to turn to the U.K. for more of their supplies; and thirdly, increased profits would encourage an increase in effort on the part of new entrants such as the United States.

There is evidence already of two of these factors: increased imports from the U.S.A. and a move towards U.K. supplies when the price differential between U.K. and Canadian lobster narrows, as happened in the summer of 1980. (This does not necessarily mean that Canadian exports would fall, but that they might not rise as much as could have been expected).

A V.A.T. rate of 18 per cent in the Netherlands, combined with the E.E.C. levy of 9.8 per cent on live lobster and 12.4 per cent on whole frozen has little effect on consumption, given the low price of the Canadian lobster at the outset.

d) Channels of Distribution and Consumption

It is understandable that Dutch merchants took to importing Canadian lobster in large quantities, it being a natural addition to the range of other shellfish which they handle. At the town of Yerseke importers have ready access to sea water and possess storage facilities which can be altered to hold lobster. These merchants have trading links too with other European countries, especially Belgium, and, to a lesser extent, France. Considerable amounts of fish and shellfish are consigned each day to the French inland market at Rungis, just outside Paris.

Other lobster importers are situated in towns such as the Hague and Amsterdam, which are the major areas of habitation and are tourist centres, and thus account for the greater part of lobster consumption in the Netherlands. Firms which handle lobster are in the small-medium range.

The /

The imported lobster is sold to wholesalers, or directly to hotels and restaurants if these are situated close by. Foreign sales would be to other merchants and wholesalers.

There is only a limited quantity of lobster sold in non-restaurant retail outlets, and sales are concentrated around the festive period at the end of the year. It is unlikely that super-market sales of frozen lobster will rise significantly in the short term, the product being relatively unknown in the Netherlands.

e) Conclusions and Market Development Strategy

The low price of Canadian lobster has been the reason for the rapid growth in the amount imported into the Netherlands. However, these imports were intended mainly for re-export, to Belgium in particular. Such has been the quantities shipped to Belgium that domestic consumption actually declined in the latter part of the 1970s. There is some evidence, however, of a growth in the internal market in 1980, but this must be the final aim of Canadian exporters.

In order that Dutch consumption of lobster will rise, it is necessary for the price to be as low as possible. Only by such means will lobster be within the purchasing power of a wider range of consumers. A low price too will discourage entrants to the market, and will also result in a move away from British to Canadian suppliers. However, given the traditionality inherent in the market whereby Dutch importers turn to the U.K. for their supplies in the summer months when U.K. lobster falls in price, such a move will be a gradual process. There is a need to follow the price-cycle of the U.K. lobster, especially when it is cheaper. This may require a lower rate of return during the summer months, but Canadian exporters cannot ignore the fact that Dutch merchants are still willing to import the more expensive /

expensive U.K. product when it becomes available, especially if the price gap between U.K. and Canadian lobster narrows.

Yet Canadian firms do enjoy other advantages over their counterparts in the U.K. - a better gradded product and the ability to supply large quantities of similar-sized lobster. These factors should be emphasised to Dutch merchants as a means of increasing their imports of Canadian lobster.

Promotion to increase retail sales, especially of frozen lobster, is clearly outwith the scope of merchants who import the product, for they tend to be small in size. Some promotion is necessary, however, to instigate sales. Price-cuts at times of peak consumption would be beneficial in encouraging sales in supermarkets in the short term.

THE DUTCH MARKET FOR OTHER SHELLFISH

Total Dutch domestic landings of shellfish obviously depend on the production from mussel beds. Table 3 shows that in each of the years 1976-79, mussels accounted for over 90 per cent of shellfish landings. Apart from mussels, the only other species landed in any appreciable quantity are shrimps and oysters.

It is these three species which account for most of the shellfish imported into the Netherlands (see Table 4). The quantity of mussels purchased from outwith the country obviously fluctuates according to domestic production. This is not the case, however, with shrimps and oysters.

The presentation of the Dutch trade statistics do not permit identification of species included in "other" species in Table 4. Small quantities of crabs and freshwater crayfish are imported, however.

Imports of shellfish preparations rose by over 35 per cent in the period 1976 to 1979, with prepared or preserved shrimps especially important. Some 5 thousand tonnes were imported in 1979, and Malaysia was the major supplier, sending 3 thousand tonnes. The G.F.R. was the only other important source.

Of greater interest, however, to Canadian exporters is the Dutch market for prepared or preserved crab. These are summarised below:-

Dutch /

Dutch Imports of Crab Preparations (Product Weight)

	1978		1979		1980 (Jan.-Nov.)	
	tonnes	'000 gld	tonnes	'000 gld	tonnes	'000 gld
G.F.R.	111	2,972	100	2,308	75	1,554
U.S.A.	274	9,953	318	11,930	219	6,542
Canada	155	3,199	204	4,290	228	4,000
Thailand	95	1,031	127	1,652	192	2,216
U.S.S.R.	43	2,509	147	8,352	42	1,914
Other	126	2,654	100	2,518	125	2,354
Total	804	22,318	996	31,050	881	18,580

Source: Centraal Bureau voor de Statistiek

Canada has therefore captured a larger share of this market, at the expense apparently of the U.S.A. and the U.S.S.R. However, as with lobster, much of these Dutch imports are re-exported, principally to Belgium. The same conclusions can be drawn in this case as were made with respect to the lobster market, namely that, as Belgian merchants will naturally turn to Canada rather than the Netherlands for their supplies to eliminate the extra commission involved, any increase in imports will have to result from a rise in internal consumption.

Per capita consumption of shellfish in the Netherlands is low compared to that of other seafood products, but is growing, as the following text-table shows:

Per Capita Consumption of Fish and Fishery Products (Kg, edible weight)

	1975	1976	1977	1978	1979
Freshwater fish	0.2	0.2	0.2	0.2	0.3
Herring	1.8	1.8	1.3	1.2	1.3
Other fish	2.8	2.7	2.7	2.9	3.0
Shellfish	0.5	0.6	0.8	0.9	0.9
Fish and Shellfish preparations	0.9	0.9	1.0	1.0	0.9
Total	6.2	6.2	6.0	6.2	6.4

Source: Statistiek van de visserij

Thus shellfish now accounts for a larger preparation of total fish consumption. This is in line with other European markets. However, Canadian exporters examining the potential of the Dutch market should be aware of several factors. The first of these is the entrenched position in the market of a few products, especially mussels and shrimps. Secondly, trade in shellfish products is well developed between European countries and on top of this increased supplies of species such as shrimps, including prepared or preserved shrimps, fron countries like China, Taiwan and Malaysia.

In the short term the best marketing opportunities for Canadian exporters would appear to lie with crab and crab meat, to increase consumption in the Netherlands if demand for Dutch re-exports falls, as is likely.

NETHERLANDS

TABLE 1: IMPORTS OF LIVE LOBSTER BY COUNTRY OF ORIGIN

	1976			1977			1978			1979		
	tonnes	000 gld	000 gld/t	tonnes	000 gld	000 gld/t	tonnes	000 gld	000 gld/t	tonnes	000 gld	000 gld/t
United Kingdom	229	6,064	26.5	214	5,481	25.6	188	5,317	28.3	140	4,264	30.5
Canada	142	2,910	20.5	155	2,891	18.7	308	5,515	17.9	341	5,982	17.5
United States	10	204	20.4	-	-	*	21	394	18.8	73	1,219	16.7
Other	53	1,654	31.2	46	1,516	33.0	32	1,123	35.1	26	1,044	40.2
Total	434	10,832	25.0	415	9,888	23.8	549	12,349	22.5	580	12,509	21.6

\- Nil
* Not Applicable

Source: Centraal Bureau voor de Statistiek

NETHERLANDS

TABLE 2 : EXPORTS OF LIVE LOBSTER BY COUNTRY OF DESTINATION

	1976*			1977			1978			1979		
	tonnes	million gld	000 gld/t	tonnes	million gld	000 gld/t	tonnes	million gld	000 gld/t	tonnes	million gld	000 gld/t
Belgium	N.A.	N.A.	N.A.	190	6.03	31.7	330	10.14	30.7	452	13.78	30.5
France	33	0.81	24.5	37	0.82	22.2	61	1.39	22.8	59	1.43	24.2
Other	9	0.27	30.0	18	0.49	27.2	17	0.48	28.2	19	0.55	28.9
TOTAL	42	1.08	25.7	245	7.34	30.0	408	12.01	29.4	530	15.76	29.7

* Excludes trade with Belgium/Luxembourg

Source: Centraal Bureau voor de Statistiek

NETHERLANDS

FIGURE 1 : IMPORTS OF LOBSTER BY PRODUCT AND COUNTRY OF ORIGIN

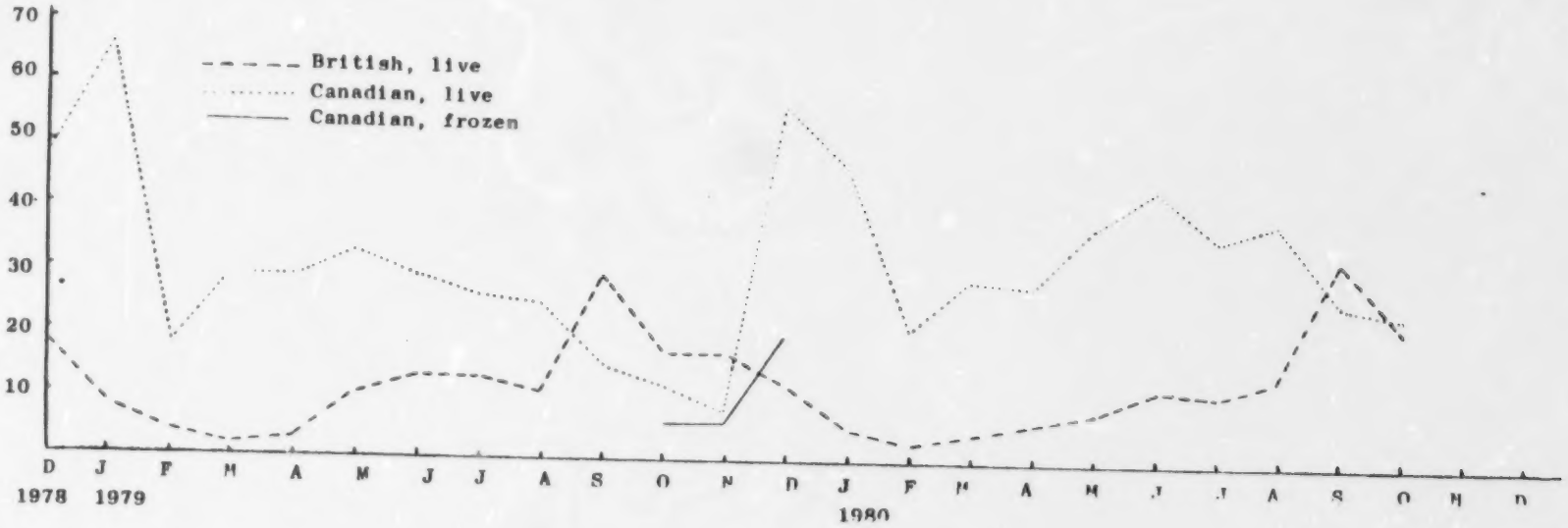
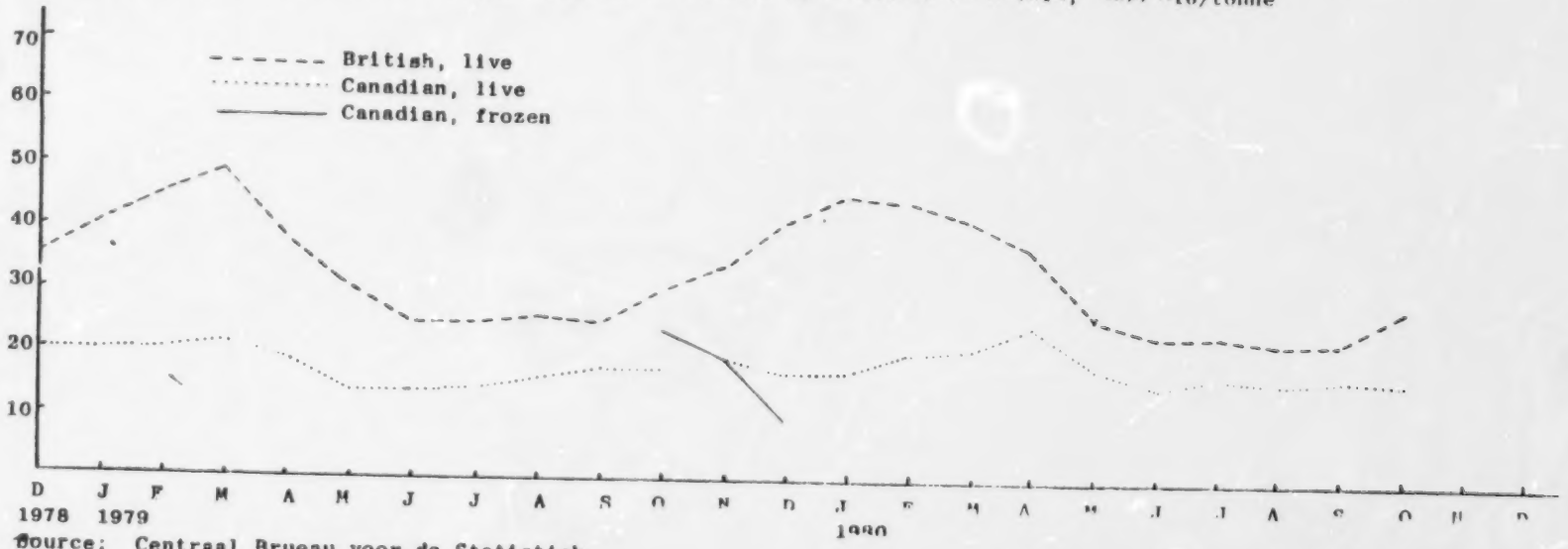


FIGURE 2: AVERAGE VALUES OF LOBSTER IMPORTS BY PRODUCT AND COUNTRY OF ORIGIN, '000 Gld/tonne



Source: Centraal Brueau voor de Statistiek

NETHERLANDS

TABLE 3: LANDINGS AND VALUES OF SHELLFISH FOR HUMAN CONSUMPTION

	1976			1977			1978			1979		
	tonnes	million gld	000 gld/t	tonnes	million gld	000 gld/t	tonnes	million gld	000 gld/t	tonnes	million gld	000 gld/t
Shrimps	4,976	15.62	3.1	3,501	20.03	5.7	3,891	17.47	4.5	5,022	15.89	3.2
Mussels	63,748	29.26	0.5	95,068	24.89	0.3	103,030	37,06	0.4	84,708	50.11	0.6
Oysters	1,302	15.48	11.9	1,161	15.62	13.5	1,124	15.52	13.8	1,075	14.52	13.5
Other	210	0.35	1.7	182	0.34	1.9	86	0.14	1.6	88	0.15	1.7
TOTAL	70,236	60.71	0.9	99,912	60.88	0.6	108,131	70.19	0.6	90,893	80.67	0.9

Source: Centraal Bureau voor de Statistiek - Aanvoer van vis in Nederlandse Havens

NETHERLANDS

TABLE 4: IMPORTS OF SHELLFISH (PRODUCT WEIGHT)

	1976*			1977			1978			1979		
	tonnes	million gld	000 gld/t	tonnes	million gld	000 gld/t	tonnes	million gld	000 gld/t	tonnes	million gld	000 gld/t
Lobster	445	10.97	24.7	462	10.31	22.3	583	13.21	22.7	628	13.24	21.1
Shrimps	6,505	32.86	5.1	4,753	41.72	8.8	6,252	48.15	7.8	6,739	46.21	6.9
Mussels	19,262	5.54	0.3	2,840	0.91	0.3	463	0.13	0.3	1,080	0.67	0.6
Oysters	1,275	8.09	6.3	1,392	9.38	6.7	1,781	11.98	6.7	1,388	11.82	8.5
Other Preparations	5,680	7.68	1.4	4,699	7.11	1.5	4,480	9.09	2.0	5,196	7.75	1.5
	4,951	50.44	10.2	5,268	61.08	11.6	6,168	73.62	11.9	6,780	82.52	12.2
TOTAL	38,118	115.58	3.0	19,414	130.51	6.7	19,727	156.18	7.9	21,811	162.21	7.4

TABLE 5: EXPORTS OF SHELLFISH (PRODUCT WEIGHT)

	1976*			1977			1978			1979		
	tonnes	million gld	000 gld/t	tonnes	million gld	000 gld/t	tonnes	million gld	000 gld/t	tonnes	million gld	000 gld/t
Lobster	45	1.16	25.8	252	7.47	29.6	425	12.37	29.1	550	16.21	29.5
Shrimps	4,889	28.54	5.8	4,536	40.66	9.9	5,714	47.49	8.3	6,711	53.63	8.0
Mussels	19,242	14.06	0.7	44,580	39.87	0.9	46,539	40.62	0.9	43,496	56.93	1.3
Oysters	282	2.46	8.7	1,085	13.78	12.7	811	10.23	12.6	1,410	18.27	13.0
Other Preparations	4,670	13.05	2.8	5,034	16.49	3.3	4,882	17.17	3.5	4,647	19.77	4.3
	2,963	14.28	4.8	7,401	72.10	9.7	7,073	68.49	9.7	7,393	84.24	11.4
TOTAL	32,091	73.55	2.3	62,888	190.37	3.0	65,444	196.37	3.0	64,207	249.05	3.9

* Excludes trade with Belgium/Luxembourg

Source: Centraal Bureau voor de Statistiek - Maandstatistiek van de Buitenlandse Handel

SOME IMPORTERS OF LOBSTER IN THE NETHERLANDS

W.G. den Heyer,
Vissershavenweg 48,
2583 DK 's-Gravenhage. Telex: 33079

J. van As,
Binnen Wieringerstraat 4,
1013 EB Amsterdam.

N.V. de Meulemeester,
Havendijk 2,
4401 NS Yerseke. Telex: 55294

Krijn Verwijs,
Havendijk 3,
4401 NS Yerseke Telex: 55362

J. Twildt,
Mennenck St. 4,
s'Gravenhage. Telex: 557091

P. Verwys,
Havendijk 5,
4401 NS Yerseke. Telex: 55247

Verwijs Keeftenparken,
Havendijk 28,
4612 PJ Bergen DP Zoom.

The West German Market for Lobster and Other Shellfish

INTRODUCTION

Shellfish are not too important in the West German fisheries, eclipsed as they are by groundfish species such as cod, saithe and redfish. Domestic production has been around 30 thousand tonnes in recent years, most of which has been mussels and shrimps. These two species account for most of the G.F.R.'s imports and exports of shellfish.[1/]

Yet other species are imported into the country and lobster, both live and frozen, is being sought in increasing quantities by West German merchants.

THE WEST GERMAN MARKET FOR LOBSTER

a) Production

As with her European neighbours Belgium and the Netherlands, West German production of lobster is negligible if not non-existent, the reason for this being that the coastline does not provide a rocky habitat favourable to the lobster. Demand, therefore, has to be met from imports.

b) Imports

In the period 1976-1979, the market for imported lobster in the G.F.R. rose by over one-third, to some 350 tonnes. This market growth is the result of three factors: increased marketing effort on the part of Canadian firms; the low price of the Canadian product, and the strength of the Deutschemark against the Canadian $ which has helped reduce even further the cost of Canadian lobster.

Imports of live lobster from Canada more than doubled in the 4 year period 1976-1979, and should have exceeded the 1979 total in 1980. Yet this enlargement of the West German market engendered by Canadian firms has led to increased effort by United States firms, and /

1/ Excluding prepared or preserved shellfish

and increased demand from German merchants for lobster from Britain (which has a reputation for quality and the price of which has fallen in the face of Canadian competition), as the following text-table shows:-

West German Imports of Live Lobster, January to September

	1979		1980	
	tonnes	000 DM/t	tonnes	000 DM/t
United Kingdom	27	31.3	31	30.8
United States	-	-	24	19.3
Canada	87	19.1	88	20.1
Other	47	28.6	39	26.6
Total	161	23.9	182	23.2

Source: Statistisches Bundesamt

- Not Available

Figure 1 gives monthly imports of live lobster from the U.K., and live and whole frozen lobster from Canada, and shows November and December to be peak months for imports of frozen and live lobster respectively from Canada, the frozen imported somewhat before the live to reduce the workload during the hectic festive period. In this respect the German market is similar to the French, i.e. imports from Canada coming in mainly at the end of the year. Yet at no time throughout the year do supplies from the U.K. exceed those from Canada, this being evidence of the dominant position of the Canadian product, and of the fact that the G.F.R. was never traditionally a large market for U.K. exporters of lobster.

It is harder to establish a pattern of seasonality for U.K. exports, since they are low throughout the year and do not peak in summer months as is the case with the French market. Supplies from the U.K. are lowest in the first quarter of the year, but appear to maintain their level established during the summer right up to the /

the end of the year. As the price reaches a peak during the winter months, the fact that supplies from the U.K. do not drop off suggests that supplies from Canada are insufficient during this period (due to the market being neglected in the face of high demand from the United States and France) or that wholesalers and the ultimate consumers are willing to pay a premium for the British product during the festive period.

Supplies from Canada are low during the summer months, but it appears that some are imported in spring for storing in pounds until the summer, despite the price being higher in these months. Evidence of this is the fact that there is no corresponding increase in summer of live lobster imports from the U.K. when imports from Canada decline.

The slow growth in the market for frozen lobster products can also be seen from Figure 1, with monthly imports in 1980 above their corresponding 1979 level. It is likely that sales of such products will continue to improve, since wholesalers not at present handling them may feel obliged to keep in line with their competitors. Blanched lobster, frozen in sea-water is the most popular product, and some is re-exported from the G.F.R. Some are sold in retail outlets, but heavy promotion is necessary at present for a reasonable level of sales to be achieved. Further retail sales can be expected, however, if the price drops to an even more attractive level.

The E.E.C. levy of 9.8 per cent on imports of live lobster from third countries is the only tariff barrier. Since domestic production is nil there is no lobster or directly competing industry requiring protection. The rate for imports of whole frozen lobster is 12.4 per cent., and this rises to 19.5 per cent for frozen lobster pieces from third countries.

Non-tariff /

Non-tariff barriers to trade include a closing price differential between Canadian and British lobster, and the price of alternative products such as frozen crawfish and crawfish tails.

An incentive to trade is the existence in the G.F.R. of offices of some Canadian firms, facilitating ordering and invoicing, and smoothing currency fluctuations if the invoice is presented in German rather than Canadian or British currency. Yet, as with France, merchants are conversant with both metric and imperial measures, and are often invoiced in the currency of the exporting currency.

The preferred size in the West German market is 600-800 gr. (1½-2 lb.) though any lobster imported for storage purposes would be smaller. Frozen lobster imported would be slightly smaller than the live, in the range 400-500 gr. (1-1¼ lb.).

The incidence of Gaffkaemia in North American lobster does not constitute a barrier to trade, since merchants realise that by taking simple precautions while in storage, no problems are likely to arise.

c) Prices

The weakening of the Canadian $ against the Deutschemark has helped keep down the price of live lobster imported from Canada, as Table 1 shows. Imports in 1976 averaged DM 22.1 thousand/tonne but in 1979 the average was just DM 18.6 thousand/tonne. This factor, allied to the lower price of Canadian lobster and the development of frozen lobster products, has helped create a larger market for lobster in the G.F.R.

The /

The price cycle of imports of lobster from the U.K., as given in Figure 2, betrays a regular pattern of seasonal fluctuations, governed mainly by the supply function. The price is highest at the very start of the year. During January 1980 imports of live lobster from the U.K. averaged DM 45.5 thousand/t. (This was more than double the price of live Canadian lobster). The cost per tonne of live U.K. lobster then falls slowly during the first quarter of the year, and more rapidly during the second quarter, as supplies pick up. This drop levels off in the third quarter to presumably as low a level as the U.K. merchants can accept. The price then rises quite rapidly during the last 3 months of the year due to lower supplies and steady demand in the run-up to the festive period.

It is intersting to note from Figure 2 that during the months of May, June, July, August and September 1980, the price of lobster imported from the U.K. was less than in the same months of 1979. This is evidence of the fact that cheaper Canadian imports are forcing U.K. merchants to lower their prices. This must have been very difficult for them at a time of high interest rates and a strong domestic currency. The result ofthis has been, however, improved exports to the G.F.R. during 1980, while those from Canada declined, as the previous text-table shows. From this can be seen the relationship between the price differential of U.K. and Canadian lobster and the level of imports from these two countries.

Imports of live Canadian lobster fluctuate in price to a much lesser extent, due to the vast supplies held in storage. Figure 2 shows a peak of DM 25thousand/t and a low of DM 15 thousand/t for the period December 1978 and October 1980. At no time was live U.K. lobster less expensive than the Canadian product.

The /

The fact that the price of frozen Canadian lobster dropped during November 1980 when imports were at their highest, and that this was repeated the following month in the case of live lobster, suggests that offer, rather than demand, is the reason for the high level of imports. It may well be, however, that demand has been created by supply, and a price rise may be possible at the end of the year, as happened in the case of the French market.

Lobster is considered a luxury product in the G.F.R. and attracts a V.A.T. rate of 13 per cent, double the normal rate. This, however, is substantially lower than for example, the 25 per cent rate in Belgium.

A summary of the price mechanism throughout the year suggests that presently supply is the most important factor - on the one hand the U.K. has limited production, and on the other, the large amounts available from Canada has kept the price low. In the future, demand may become more important if the new market created turns out to be permanent, but any increase in price which the demand function might bring about may well lead to a contraction in the market if once again lobster is elevated outwith the reach of the new consumer.

d) Channels of Distribution and Consumption

Firms importing lobster into the G.F.R. tend to be in the small to medium size range, given the relatively small and specialised market. Hamburg is the town in which most of the importers are situated, for there are many fish and shellfish merchants in this town, which is also a major centre of lobster consumption. Other merchants are to be found in ports like Cuxhaven and Bremerhaven, and in West Berlin, another town where lobster consumption is considerable.

There /

There exists also in Germany subsidiary offices of Canadian fishery firms, who import lobster for re-sale to wholesalers, or to other merchants, including some outwith the G.F.R.

Consumption of fish and shellfish is concentrated in the north of Germany, for historical and geographical reasons. Regions further to the south had obviously limited access to fresh fish, and in any case had developed their own regional dishes from their own resources.

Yet the advent of acceptable frozen lobster products should lead to a gradual increase in lobster consumption in areas where fresh lobster was too difficult or expensive to obtain.

Presently virtually all consumption of lobster is in hotels and restaurants. Sales in supermarkets of frozen lobster, at present negligible, will rise only if the price becomes more and more competitive.

Consumption is highest during the festive season, but is also high during the summer months.

e) Conclusions and Market Development Strategy

The rapid increase in lobster imports can be attributed directly to the low price of the Canadian product. It is likely that in the near future demand, rather than supply will be the major factor in the price mechanism, especially at times of peak consumption.

Demand /

Demand for Canadian lobster may improve too as merchants in the G.F.R. turn away from the more expensive and poorly-graded U.K. lobster. A more gradual increase will result from marketing opportunities arising from the development of frozen lobster products, both in more outlying areas and those where lobster is not so well known. On top of this, retail sales could develop. As is the case with the Netherlands, German merchants have outlets in neighbouring countries such as Austria. Some lobster imported from Canada is intended for re-exportation, and this should increase in the future, once again if the price remains competitive.

In order for sales to develop, it is recommended that the price of Canadian lobster be maintained at a level low enough to increase sales. Higher rates of return to Canadian firms would lead to market entry by other lobster producers, especially the United States. It is necessary too to keep the selling price low in the summer months, when German merchants normally turn to Britain for their supplies. This is a traditional feature of the market, and even now when Canadian supplies are available throughout the year, there exists still the propensity to import lobster from the U.K. as supplies become available and when the price differential between Canadian and U.K. lobster narrows.

By emphasising the fact that Canadian lobster is very well graded, and that large numbers of similar sized lobster can be offered, Canadian merchants can increase their sales to the G.F.R. Extra care taken with respect to packaging in the summer months will help allay importers' fears of increased mortality on the long journey from Canada.

Increased /

Increased promotional effort is necessary to improve retail sales, together with those in areas where little lobster is consumed. It is beyond the resources of the smaller firms who normally import lobster to engage in price-cutting and other promotional schemes, but with the help of Canadian exporters these could be more successful.

The existence of Canadian subsidiaries in the G.F.R. provides an incentive to trade by facilitating the ordering of lobster. This should be a longer-term strategy to develop consumption as fully as possible.

THE WEST GERMAN MARKET FOR OTHER SHELLFISH

Table 2 shows that domestic production of shellfish (in landed weight terms) fell by almost half between 1976 and 1979. This, however, is due almost exclusively to fewer mussels being landed and more being processed before landing, which reduces further the landed weight of the product. Thus shrimps have replaced mussels as the most important shellfish in the G.F.R.'s fishery. Over 12 thousand tonnes were landed in 1979, with a further 5 thousand tonnes not intended for human consumption.

The 3.2 thousand tonnes of squid landed in 1979 may prove to be a freakish result, resulting perhaps from exploratory voyages or trial joint-ventures. The price was firm, however, and caused no drop in imports. (See Table 3).

The G.F.R. imports her squid from a variety of sources: Europe (France and Italy); the Americas (U.S.A. and Argentina) and Asia (Thailand). It is the U.S.A., however, which has become the major source, sending over 400 tonnes in 1979 at an average value of 1.97 thousand DM/t, against an average price of DM 3.97/t for total squid imports.

In the period January to November 1980, imports of squid into the G.F.R. totalled 1.5 thousand tonnes, with 550 tonnes coming from the U.S.A. Exports from Thailand to the G.F.R. have risen however almost to the level of supplies from the U.S.A. Much of these increased imports have been re-exported to Italy in 1980, the likely conclusion being that the internal market for squid is not as firm as the landed price suggests.

Imports /

Imports of shrimps into the G.F.R. have risen steadily since 1976, (as have exports). However, the internal market would appear to be growing, given that the improved production figures have not led to a correspondingly large rise in exports.

Denmark and the Netherlands currently satisfy most of the demand for shrimps in the G.F.R. which cannot be met from domestic production. It is with such European countries, close to the German market and with well-developed trading links, that Canadian exporters would have to compete. This is true for other species too such as oysters, snails, octopus and cuttlefish which are included in "other" species in Table 3.

A steady growth in imports of shellfish preparations is evident from the same Table. Almost 100 million DM were paid for the 9.3 thousand tonnes imported in 1979. Crab is the only species separately identifiable in the German trade statistics.

Imports of crab preparations totalled just 215 tonnes in 1977, but this rose to 360 tonnes in 1979, a figure which will be equalled if not surpassed in 1980. There is no country which stands out as the major source of these imports, and Canadian exporters have not achieved any significant degree of market penetration. On top of this, the G.F.R. has become a net exporter of prepared or preserved crab, selling abroad some 150 tonnes more than she imported in the first 11 months of 1980. Her major markets are the Netherlands and Belgium.

Per capita consumption of shellfish more than doubled between 1965 and 1975, as the following text-table shows. A slight decline occurred at the end of the 70s, but it is still true that shellfish consumption now accounts for a higher percentage of total fish consumption in the G.F.R.

Consumption /

Consumption of Shellfish (Kg./Caput/Annum, Product Weight

	1965	1970	1975	1976	1977	1978	1979
Shellfish	0.18	0.22	0.41	0.45	0.38	0.41	0.38
All Fish	5.96	5.66	5.56	6.09	5.99	5.97	5.90

In assessing the potential of the shellfish market in the G.F.R., it is important for Canadian merchants to bear in mind the trading patterns long established between the G.F.R. and her European neighbours, cemented in recent years by the enlargement of the E.E.C. On top of this, countries in other regions of the world, for example Asia, are developing outlets in Europe for products such as shrimps, crawfish, snails, squid and cuttlefish. Nor can the United States be ignored as a competitor in Europe. Mention was made in the previous section of increased exports of lobster from the U.S., and, as noted above, she has become the major supplier of squid to the G.F.R.

G.F.R.

TABLE 1 : IMPORTS OF LOBSTER BY COUNTRY OF ORIGIN

	1976		1977		1978		1979	
	tonnes	000 DM/t	tonnes	000 DM/t	tonnes	000 DM/t	tonnes	000 DM/t
LIVE								
United Kingdom	49.6	24.80	41.3	27.09	46.1	30.17	43.6	33.12
Canada	66.8	22.07	78.2	19.97	121.9	18.48	147.5	18.56
Other	92.6	25.75	95.9	26.91	78.9	26.89	88.7	26.51
Total	209.0	24.34	215.4	24.43	246.9	23.35	279.8	23.35
WHOLE FROZEN								
Canada	19.5	17.64	25.2	16.31	33.3	14.20	52.5	11.81
Other	14.2	26.34	5.1	25.19	9.3	15.27	5.0	26.20
Total	33.7	21.31	30.3	17.89	42.6	14.44	57.5	13.06

Source: Statistisches Bundesamt

F2

FIGURE 1
G.F.R.: IMPORTS OF LOBSTER BY PRODUCT AND COUNTRY OF ORIGIN

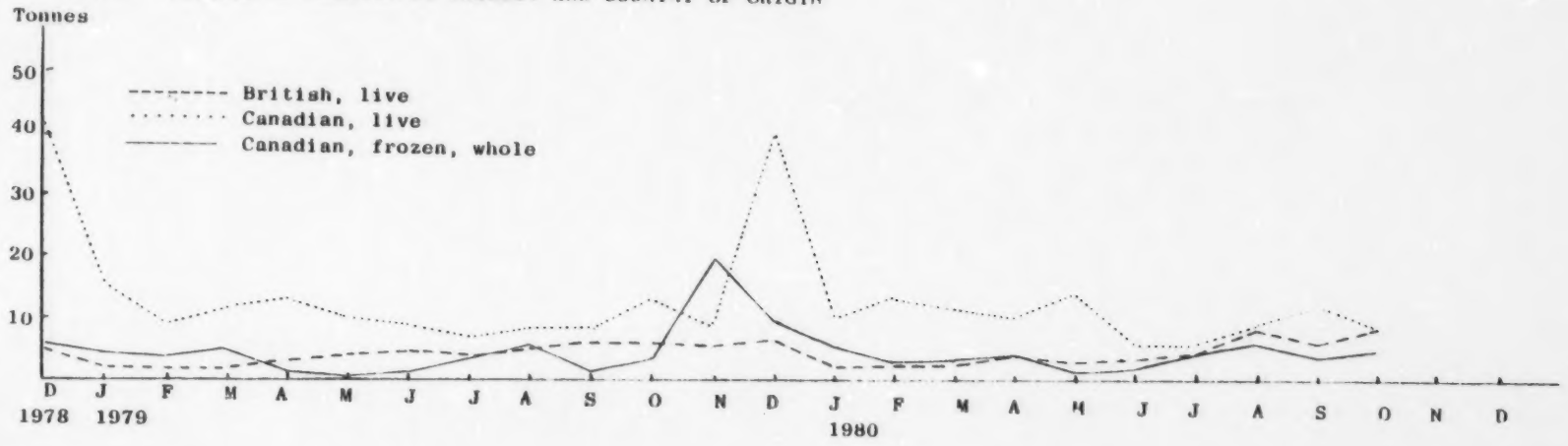
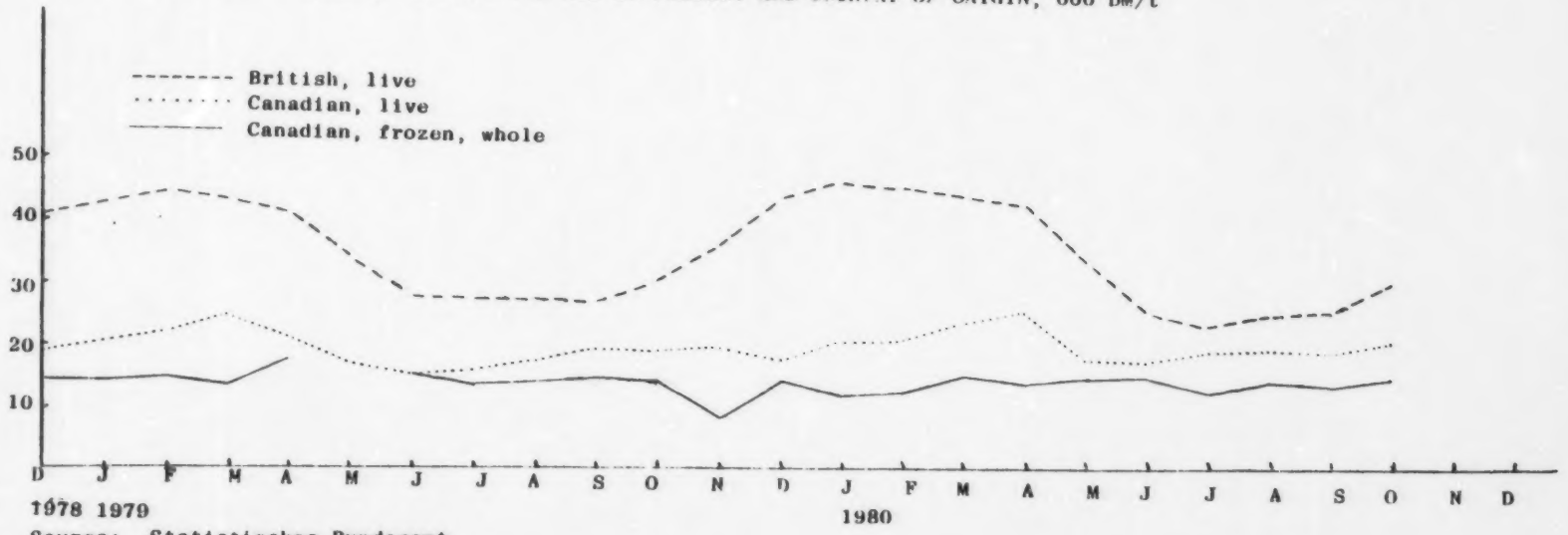


FIGURE 2
G.F.R.: AVERAGE VALUES OF LOBSTER IMPORTS BY PRODUCT AND COUNTRY OF ORIGIN, 000 DM/t



Source: Statistisches Bundesamt

G.F.R.

TABLE 2: LANDINGS AND VALUES OF SHELLFISH

	1976			1977			1978			1979		
	tonnes	million DM	000 DM/t	tonnes	million DM	000 DM/t	tonnes	million DM	000 DM/t	tonnes	million DM	000 DM/t
Shrimps	13,477	28.06	2.1	7,816	29.54	3.8	9.180	31.17	3.4	12,266	29.35	2.4
Mussels	24,938	5.99	0.2	12,844	3.29	0.3	13,908	3.46	0.2	6,711	2.13	0.3
Mussel meat	102	0.12	1.2	156	0.24	1.5	480	0.63	1.3	362	0.74	2.0
Squid	1,151	1.76	1.5	1,308	1.56	1.2	956	1.59	1.7	3,172	7.14	2.3
Other*	10,565	0.96	0.1	9,072	1.22	0.1	5,988	0.94	0.2	5,078	0.62	0.1
TOTAL	50,233	36.89	0.7	31,196	35.85	1.1	30,512	37.79	1.2	27,589	39.98	1.4

* Mainly shrimps not intended for human consumption

Source: Statistisches Bundesamt - Jahresbericht über die Deutsche Fischiwirtschaft

G.F.R.

TABLE 3: IMPORTS OF SHELLFISH (PRODUCT WEIGHT)

	1976			1977			1978			1979		
	tonnes	million DM	000 DM/t	tonnes	million DM	000 DM/t	tonnes	million DM	000 DM/t	tonnes	million DM	000 DM/t
Shrimps	2,459	23.35	9.5	2,653	29.15	11.0	3,668	37.11	10.1	4,139	42.12	10.2
Mussels	2,584	1.99	0.8	1,770	1.97	1.1	1,674	2.22	1.3	6,997	4.35	0.6
Squid	922	3.24	3.5	851	3.25	3.8	1,186	4.89	4.1	1,320	5.24	4.0
Other	1,807	23.53	13.0	2,698	25.38	9.4	3,126	29.06	9.3	3,296	31.88	9.7
Preparations	8,146	65.10	8.0	8,266	75.48	9.1	8,529	80.21	9.4	9,287	95.60	10.3
TOTAL	15,918	117.21	7.4	16,238	135.23	8.3	18.183	153.49	8.4	25,039	179.19	7.2

Source: Statistisches Bundesamt - Aussenhandel nach Waren und Ländern

SOME IMPORTERS OF LOBSTER IN THE G.F.R.

Chr. Goedeken Jr,
Gr. Elbestrasse 3,
2000 Hamburg 50. Telex: 212513

Lindberg & Co.,
Uhlandstr. 16/18,
1000 Berlin 12. Telex: 184127

BARLU,
Knobelsdorffstr. 22,
1000 Berlin 19. Telex: 183085

FRIGOFOOD IMPORT,
Jessenstr. 4,
D-2000 Hamburg 50. Telex: 0212595

Schwinning,
Gotzinger Str. 19,
8000 Munchen 70. Telex: 5223046

The Market for Lobster and Shellfish in the United Kingdom

INTRODUCTION

The U.K. is the only one of the target markets to have any significant domestic production of lobster. In weight terms lobster represented just 1 per cent of total shellfish landings in the U.K. in 1979, but they accounted for 10 per cent of the value. An average of £5,209/tonne was paid for lobster at first sale in that year - nine times more than was paid for cod, and over twice the average price of Dover sole.

An estimated 75 per cent of U.K. production is exported to the Continent of Europe, principally to France, Belgium and the Netherlands. The remainder, together with most of the imports from Canada, is consumed in the U.K. Some of these imports are re-exported, to Europe if live and to the Middle East if frozen.

As far as production of other shellfish is concerned, the major species are nephrops, cockles, crabs and scallops. This is a wider range than landed by, for example, the Dutch, but less varied than French production.

The Market for Lobster

a) Production

Annual U.K. production of lobster in the period 1976-1979 averaged 870 tonnes. (See Table 1.) This is higher than the combined production of the other target markets, but still insignificant compared to Canadian landings.

Of the 800 tonnes landed in 1979, 60 per cent were landed in Scotland.

Seasonally, /

Seasonally, landings of lobsters are low during the winter months, when fishing effort is limited by the poor weather and the fact that lobsters prefer a rocky habitat, where fishing in small craft is even more dangerous. (See Figure 1.)

Production improves with increased effort during spring and summer, but it is not until late summer that landings are at their best.

In the 1970s U.K. landings fell by 29 per cent, from 1.1 thousand tonnes in 1970 to 0.8 thousand tonnes in 1979. This is generally accepted to be the result of overfishing. In response to this the minimum size was raised on 1st March 1980 from 80 mm. to 83 mm. Although this will initially mean a drop in landings the final aim is to increase the average size of the landed fish and thereby increase the average price.

b) Trade

Table 2 shows a doubling of imports of live lobster between 1973 and 1979. Most of the lobster imported originates from Canada - 64 per cent in 1978 and 81 per cent in 1979. In the face of this Canadian competition, there was a decline in imports from Eire, the only other significant source of live lobster in the U.K. market.

Although not given in Table 2, imports of lobster from Canada during 1980 were much the same as in 1979 - 108 tonnes of live and 118 tonnes of frozen. This points to a slowing in the growth in consumption, at least compared to that in other target markets.

In view of the smaller quantities concerned, it is harder to establish a definite pattern of seasonality for imports from Canada. Imports are highest in the first and last quarters of the /

the year, and lowest in the period April to September. Imports are required in the first 3 months for restocking after the festive period, and to satisfy demand when domestic production is poor. Demand for imports fall as landings improve and the price falls, and in the summer months there is a fear of increased mortality due to higher temperatures. Imports rise again in the last quarter, once again due to poorer landings and the impending festive season. In fact, almost one-quarter of the 1980 total of live imports came in during the month of December.

U.K. exports have suffered somewhat in recent years, as a result of Canadian competition in the major European markets, and of poorer catches. From a peak for the decade in 1974 of over 1 thousand tonnes, exports fell to 880 tonnes in 1979 and totalled 850 tonnes in 1980. U.K. exporters have suffered too from the buoyant domestic currency and high interest rates, the first of which increases the price of their products in foreign markets, the second raising their production and storage costs.

France is the major market for U.K. exports of lobster, taking half the 850 tonnes exported in 1980. Belgium and the Netherlands are important outlets too, but less so. The only other markets of any significance are the G.F.R., Spain and Norway, the last of these 3 importing lobster from the U.K. on a speculative basis for re-export to Europe at periods of higher demand and higher prevailing prices.

Exports to France have risen slightly despite the problems affecting the U.K. merchants. They were able to lower their prices somewhat in the face of Canadian competition, and the French /

French market has expanded so rapidly that merchants there are willing to import U.K. lobster provided that the price differential between U.K. and Canadian lobster is not too great. In other words, U.K. exporters can be seen to have benefitted somewhat, at least in this market, from the development work undertaken by the Canadians.

Barriers to trade include the E.E.C. Customs tariffs on imports from third countries, as outlined in Appendix 1. More serious than this however, is the incidence of gaffkaemia in North American lobster. The U.K. is the only one of the target markets where this is a problem. Questions have been raised in Parliament, and many people do fear that U.K. supplies and pounds will be affected. Many merchants, however, both in the U.K. and throughout Europe, see this as a simple protectionist measure, which in the view of the Consultants, may well prove to be counter-productive. On the one hand, there are no signs that the merchants would be willing to accept lower prices in the U.K. than they can command in Europe, and on the other, it can be argued that any loss of sales in Europe suffered by U.K. exporters in the face of Canadian competition can be attributed to poor grading and packing every bit as much as the high cost of their lobster compared to the Canadian product.

There are no signs of substantially increased imports from the U.S.A., as has been the case in other target markets. The main reason for this being that the market has not grown sufficiently to warrant a further source of supplies.

c) Prices

Over the decade 1970-79, the annual average price/tonne of lobster at first hand sale rose by over 300 per cent to £5,203. Figure /

Figure 2 shows a continuous upward trend until 1979 when increased supplies from Canada had a dampening effect.

The highest prices are paid in the first 4 months of the year when landings are lowest. (See Figure 3.) The prices are lower in the summer months due to improved landings and the higher incidence of small and/or moulting lobsters. A better product landed later in the summer causes the price to rise, and this is compounded by improved demand from Europe, especially France, during the holiday season there.

After the holiday season the price of the U.K. lobster rises until the next peak the following spring. The rise is caused once again by lower landings and a strengthening of demand on the Continent during the festive season at the end of the year.

Of course, the landed price is affected too by the price of the Canadian product, both in the domestic market and in the traditional markets for U.K. exporters in Europe.

Figure 4 gives the average price/tonne of lobsters landed in the U.K., and imported into and exported from the country. The low cost/tonne of imported lobster is immediately apparent, as is the cyclical nature of landed and export prices. This seasonality results from limited storage possibilities, at least compared to Canada, which prohibits extensive speculation. In any case, the demand from the Continent now is for U.K. lobster in the summer months, when the price gap between U.K. and Canadian lobster narrows and when merchants fear increased mortality of Canadian lobster in transit.

The /

The effect of imports on the landed price is evident from the prices prevailing in December 1979 in Figure 4. Increased imports from Canada (as said - about one-quarter of total live imports came in during that month) depressed the price at first hand sale. The fact, too, that the price of the imports fell during that month suggests that offer rather than demand was the dominant factor in the price mechanism. (It has not been possible to compare landed price with import prices for December 1980.)

The export price has been affected too by Canadian sales in Europe. Table 3 shows that exports of live lobster from the U.K. fetched on average £6.09 thousand/tonne in 1980 - over 10 per cent below the 1979 average price, and less too than in 1978.

d) Channels of Distribution and Consumption

Lobster merchants are dotted round the coast of Britain, and buy from fishermen over a wide area. One merchant in Wales, for example, purchases lobster caught by fishermen from the whole of the west coast of Britain. Others work over a more limited area, but the low level of production requires them to purchase lobster caught outwith their area. The merchants enter into a gentleman's agreement with the fishermen at the start of the year to purchase the lobster caught, the price to be paid being decided by the merchant's likely selling price.

Most of the lobster is exported to Europe - only about one-quarter is consumed in the U.K. The merchants consign their produce to wholesalers at various inland markets throughout the country, but principally to those in Billingsgate in London. Such wholesalers then sell the lobster to hotels and restaurants in their vicinity though small quantities are exported via these wholesalers, rather than directly by the merchants.

Lobster imported from Canada or Eire follow the same channels of distribution, but some wholesalers may order through U.K. subsidiaries of Canadian firms.

Given that so much of the U.K. production is exported, the internal market is quite small - say about 500 tonnes in 1979. This is divided fairly equally between domestic landings and imports. However, the fact remains that consumption of lobster in the U.K. is low compared to France and Belgium. Nor have imports from Canada risen so rapidly as has happened in other target markets. One reason for this is a fear on the part of some merchants and wholesalers that the disease gaffkaemia will become widespread throughout the country.

London is the major centre for lobster consumption in the U.K. The population of around 8 million is boosted almost entirely throughout the year by large numbers of tourists, though this is especially so during the summer months. Of course, top restaurants all over the country will offer lobster, though perhaps only during the summer months when it is more reasonably priced, or at Christmas time when the cost may be less important to the consumer.

It is difficult to estimate the likely developments in the U.K. market in the future. There may well be attempts to prohibit imports of infected lobster, as many merchants in the U.K. are demanding. Others see this as a useless protectionist measure, designed to protect the domestic markets which has been ignored by merchants who were always keener to export their produce. The banning of infected Canadian lobster in the U.K. will possibly hurt the merchants more as their export markets are then likely to be subject to increased Canadian effort.

e) /

e) Conclusions and Market Development Strategy

As made clear, actual consumption of lobster in the U.K. is low, and has not risen in recent years to the same extent as in, say, France. Other factors such as a fear of gaffkaemia-infected lobster may limit the market development prospects, and in any case if larger quantities were imported from Canada they may very well be re-exported, for there are still considerable trading ties between the U.K. and her neighbours on the Continent of Europe. Other markets are growing too in the Middle East.

A market development strategy should be based on the advantages the Canadians enjoy over the U.K. producers - the low cost of their product; the fact that it is better graded and that large quantities of similarly-sized lobster can be delivered. Improved packaging would be beneficial in summer months. The advantages of frozen lobster products should be emphasised too, particularly the ease with which it can be stored and the fact that it is even lower in price than live lobster from Canada.

THE MARKET FOR OTHER SHELLFISH

PRODUCTION

U.K. shellfish landings between 1976 and 1979 declined by some 21 per cent with substantial reductions in the landings of scallops, queens, shrimps, mussels, squids, whelks and especially cockles. In contrast the quantity of crabs landed showed a continuous increase and there was a lesser improvement in the production of nephrops. Table 4 shows that, with a few exceptions, landings of shellfish over the period covered have tended to fluctuate.

In 1979, the total value of U.K. shellfish landings was almost £40 m.,some 72 per cent more than in 1976. Table 5 shows that, apart from those for shrimps and squid, all values increased. Much of the annual increases in total value were attributable to the respective increases in the value of nephrops.

TRADE

As shown in Table 6, over the past four years U.K. imports of shrimps and prawns have been increasing. As on an international basis the terms shrimp and prawn seem to be interchangeable, shrimps and prawns are considered here collectively. On average these imports were cheaper in 1980 than they were in 1979. The principal sources in 1980 were, in order of significance, U.S.S.R., India, Greenland and the Faroe Islands. In the same four years there has been a growth in the U.K. imports of mussels and squid which are predominantly supplied by Eire and the U.S.A., respectively. Compared with the imports in 1979, the imports of squid in 1980 fell by 20 per cent and the average value fell by 23 per cent which suggests that the produce imported was different in type and/or quality.

Taking shrimps and prawns together U.K. exports have been steadily increasing over the past four years. The figures recorded as shrimps and prawns are probably underestimated because of certain nephrops /

nephrops products being described as 'lobster tails'. The major markets for U.K. exports of shrimps and prawns would appear to be France, Spain and the U.S.A. although it should be pointed out that the U.K. trade statistics relating to the exports of shellfish generally are thought to be inadequate because of the very high proportion which falls under 'other' crustaceans or 'other' molluscs. This is understood to occur because of the method used in collecting the data at the point of entry and/or the lack of product specification. Table 7, therefore, should not be considered as being truely representative of shellfish exports as a whole. Two significant omissions are thought to be the exports of queen scallops and escallops which are marketed mainly in the U.S.A. and France, respectively.

CONSUMPTION

Per capita consumption of shellfish in the U.K. in 1979 was estimated at 0.09 oz. per person per week, against a figure of 4.47 oz. per week for all fish and fish products. Shellfish consumption has grown steadily from 0.04 oz. per person per week in 1970. The following table shows quarterly consumption of shellfish in 1979.

Per Capita Consumption of Shellfish, 1979

oz./person/week, product weight

January-March	April-June	July-September	October-December	Yearly Average
0.06	0.09	0.09	0.10	0.09

Source: Household Food Consumption and Expenditure

Thus consumption of shellfish in 1979 was lowest in the first quarter of the year. A rise was noted in the second and third quarters, and the peak came in the last three months, due mainly to increased purchases during the festive season.

Shellfish /

Shellfish consumption is highest in the south-east of the country, and especially in London, where in 1979 it was more than double the national average. (Source: as above.) Regions where shellfish consumption was low include the north, the south-west, Wales and Scotland.

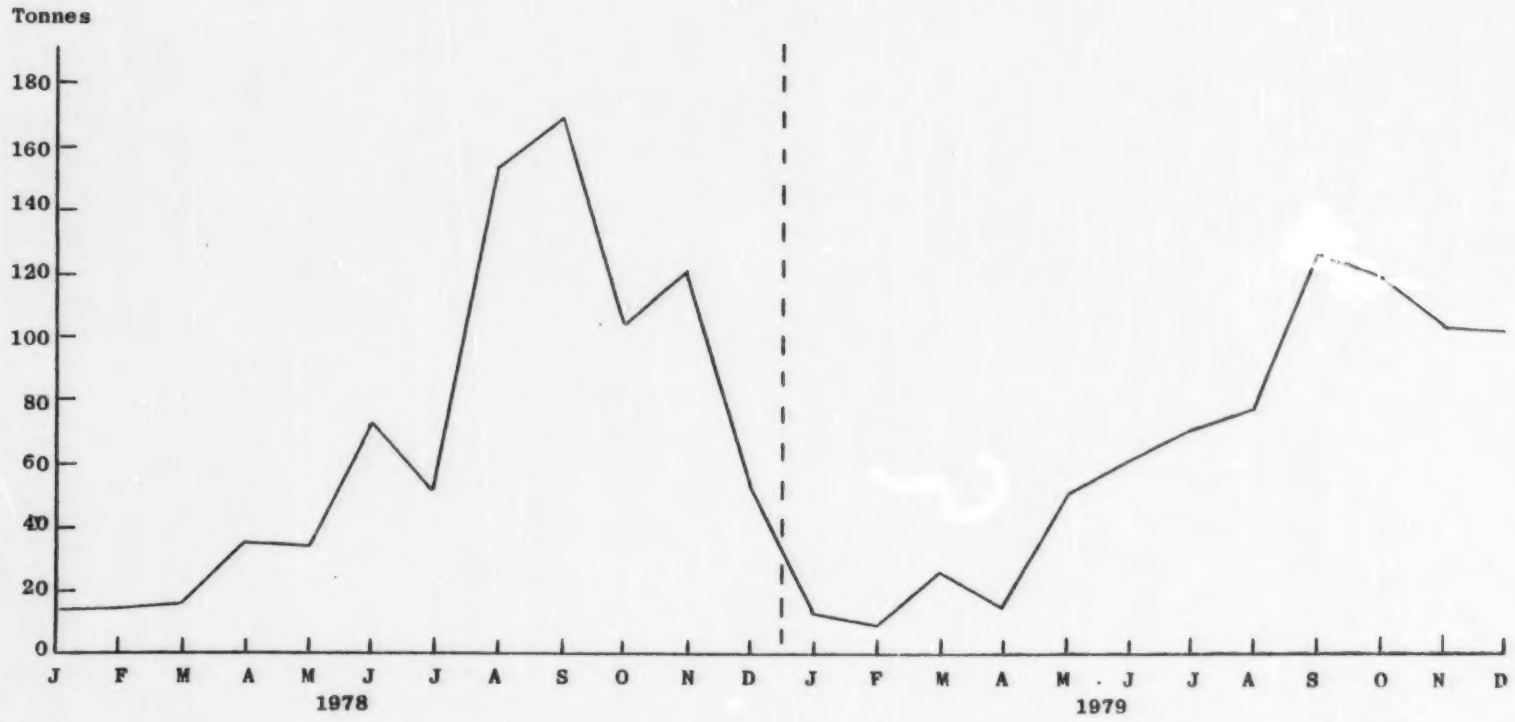
UNITED KINGDOM

TABLE 1: LANDINGS AND VALUES OF LOBSTER

	Tonnes	£'000	£'000/t
1970	1,118	1,392	1.25
1971	1,118	1,519	1.36
1972	1,016	1,653	1.63
1973	1,016	2,070	2.04
1974	1,016	2,297	2.26
1975	859	2,552	2.97
1976	897	3,475	3.87
1977	946	4,042	4.28
1978	846	4,373	5.17
1979	794	4,131	5.20

Source: M.A.F.F. - Sea Fisheries Statistical Tables

Figure 1: Landings of Lobster in Great Britain



UNITED KINGDOM

TABLE 2: IMPORTS OF LOBSTER

	Live		Frozen		Total	
	Tonnes	£'000	Tonnes	£'000	Tonnes	£'000
1973	56	130	-	-	-	-
1974	81	189	-	-	-	-
1975	95	248	-	-	-	-
1976	79	298	-	-	-	-
1977	85	357	-	-	-	-
1978	112	489	143	379	288	1,055
1979	128	462	129	372	277	914
1980	131	410	122	347	289	899

- Not Available

Source: H.M. Customs and Excise

UNITED KINGDOM

TABLE 3: EXPORTS OF LIVE LOBSTER

	Tonnes	£'000	£'000/t
1973	736	1,858	2.52
1974	1,040	2,503	2.41
1975	934	3,429	3.67
1976	969	4,744	4.90
1977	969	5,495	5.67
1978	991	6,532	6.59
1979	877	5,980	6.83
1980	850	5,174	6.09

Source: H.M. Customs and Excise

Figure 2: Average Landed Prices of Lobster in the U.K.

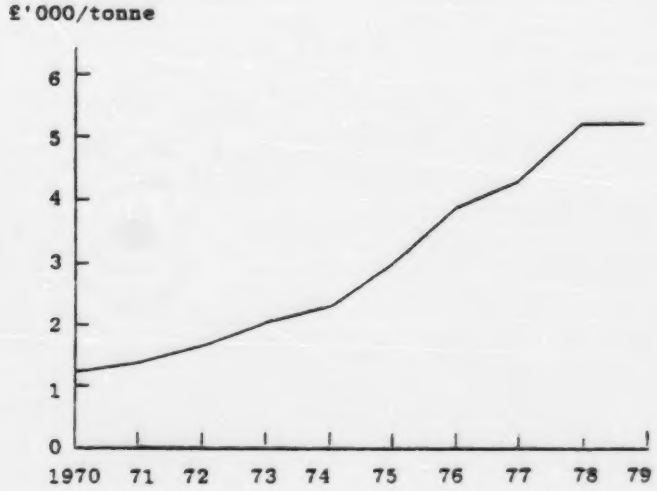


Figure 3 : Average Landed Prices of Lobster in the U.K.

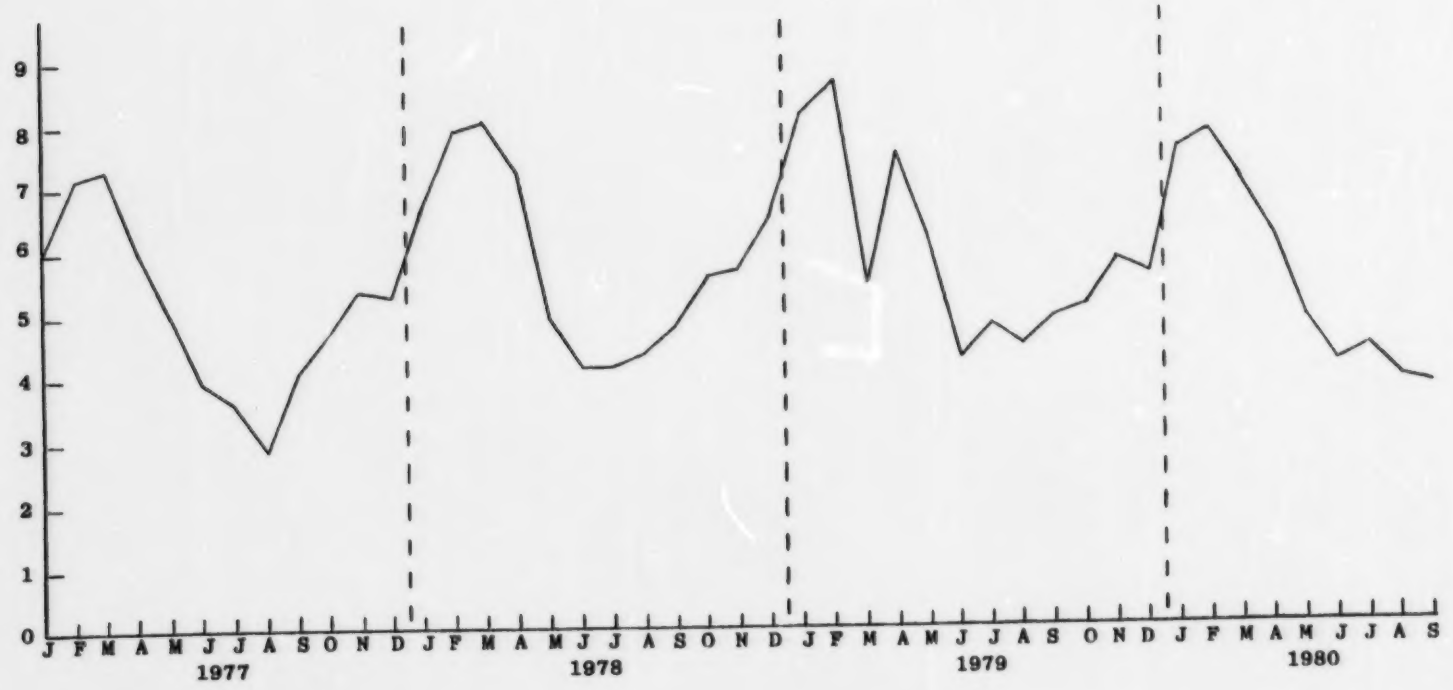


Figure 4: **Prices of Live Lobster**

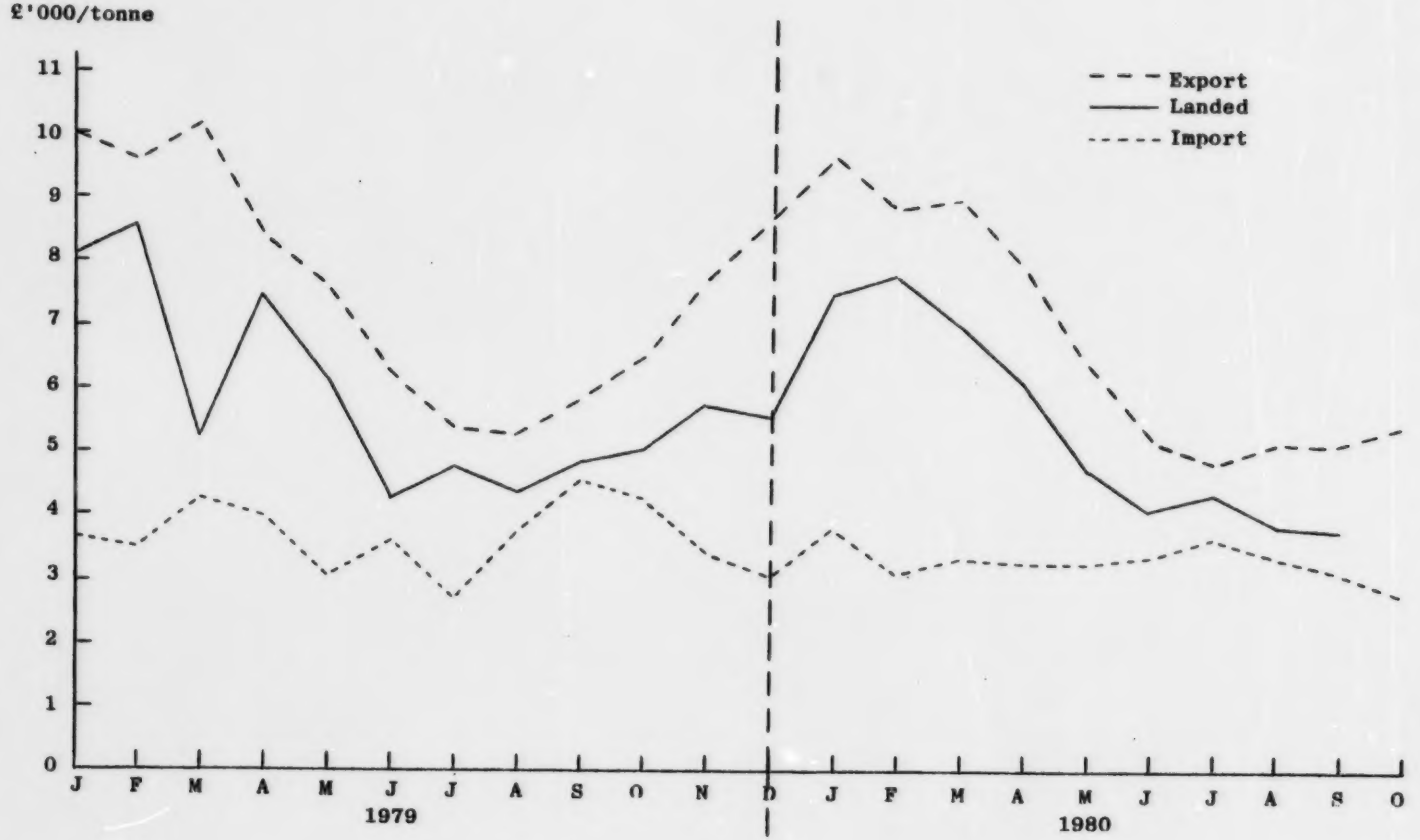


TABLE 4 : WEIGHT OF SHELLFISH LANDINGS IN THE UNITED KINGDOM BY BRITISH VESSELS

	Tonnes			
	1976	1977	1978	1979
Crabs	7,717	8,628	9,579	10,425
Nephrops	15,858	15,051	14,673	16,980
Scallops	9,848	5,519	6,816	7,343
Lobster	897	946	846	793
Oysters	952	999	459	664
Shrimps	3,265	2,711	3,211	1,399
Cockles	18,524	17,416	11,597	10,415
Squids	1,487	1,433	677	351
Queens	9,499	6,371	4,802	6,102
Whelks	3,229	2,777	3,293	1,785
Mussels	7,451	11,388	7,207	5,510
Other	3,300	4,393	3,128	3,515
Total	82,027	77,632	66,288	64,282

TABLE 5 : VALUE OF SHELLFISH LANDINGS IN THE UNITED KINGDOM BY BRITISH VESSELS

£'000

	1976	1977	1978	1979
Crabs	1,918	2,682	3,242	3,905
Nephrops	8,632	11,333	15,681	22,081
Scallops	3,251	2,715	4,348	3,861
Lobster	3,475	4,042	4,373	4,131
Oysters	862	1,069	695	1,009
Shrimps	1,241	1,397	2,096	979
Cockles	356	391	329	504
Squids	925	770	494	354
Queens	1,220	963	908	1,320
Whelks	237	320	405	261
Mussels	213	318	268	270
Other	780	1,019	752	1,134
Total	23,110	27,019	33,481	39,809

TABLE 6 : MAJOR IMPORTS OF SHELLFISH (OTHER THAN LOBSTER) INTO THE UNITED KINGDOM

	1977		1978		1979		1980	
	tonnes	£'000	tonnes	£'000	tonnes	£'000	tonnes	£'000
Prawns	3,810	4,620	7,743	7,366	6,857	8,701	8,051	8,658
Shrimps & Prawns	2,001	5,480	3,362	7,885	4,895	13,044	6,875	14,350
Shrimps(Frozen)	257	678	306	733	872	1,686	539	1,038
Shrimps(Fresh,chilled or boiled)	2	2	213	529	200	561	153	263
Mussels	932	265	1,226	470	1,230	837	1,480	1,520
Squid	419	274	602	346	966	692	770	422

TABLE 7: MAJOR EXPORTS OF SHELLFISH (OTHER THAN LOBSTER) FROM THE UNITED KINGDOM

	1977		1978		1979		1980	
	tonnes	£'000	tonnes	£'000	tonnes	£'000	tonnes	£'000
Prawns	3,064	5,878	3,106	7,091	2,945	8,063	3,119	7,720
Shrimps & Prawns	372	692	266	672	662	1,592	1,277	2,666
Shrimps(Frozen)	79	137	74	190	260	755	403	941
Shrimps(Fresh,chilled or boiled)	45	45	138	333	178	402	34	85
Oyster(European Flat)	183	206	321	408	360	613	159	335
Oyster(Other)	523	576	544	960	757	1,395	639	1,176
Mussels	6,164	436	4,136	262	842	167	4,991	546
Squid	678	754	483	604	216	307	227	306

Some Lobster Importers in the U.K.

Sea Products International,
Ocean House,
20 Calthorpe Road,
Birmingham. Telex: 336639

Youngs Seafoods,
Ixworth Place,
London SW3. Telex: 263735

Bryce Brothers,
Billingsgate Market,
London EC3.

Baxters,
Billingsgate Market,
London EC3.

Sea Taste,
Langdale's Wharf,
Bridlington. Telex: 527017

Seafare Frozen Foods Ltd.,
Billingsgate Market,
London EC3. Telex: 888784